

Independent Auditor's Report and Financial Statements

UNITED WAY OF UNION COUNTY, INC.

For the year ended DECEMBER 31, 2016

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PARKS & COMPANY PLC

A PROFESSIONAL LIMITED COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

441 NORTH WASHINGTON AVENUE
EL DORADO, AR 71730
(870) 862-3401
FAX (870) 862-0936

MEMBER
AMERICAN INSTITUTE OF CPAS

MEMBER
ARKANSAS SOCIETY OF CPAS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The United Way of Union County, Inc.
El Dorado, Arkansas

We have audited the accompanying financial statements of The United Way of Union County, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The United Way of Union County, Inc. as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



El Dorado, Arkansas
July 5, 2017

**The United Way of Union County, Inc.
Statement of Financial Position
December 31, 2016**

ASSETS

Current Assets

Cash and cash equivalents	\$ 561,249
Pledges receivable, net	1,096,855
Accounts receivable - other	82,390
	<u>1,740,494</u>
Total current assets	<u>1,740,494</u>

Investments

Agency accounts, at fair value	2,795,084
Beneficial interest held in trust, at fair value	4,142,402
	<u>6,937,486</u>
Total investments	<u>6,937,486</u>

Property and Equipment

Office equipment and property	36,389
Accumulated depreciation	(31,807)
	<u>4,582</u>
Net property and equipment	<u>4,582</u>

TOTAL ASSETS

\$ 8,682,562

LIABILITIES AND NET ASSETS

Liabilities

Promises to give to others	\$ 1,192,900
Due to National Agency	13,161
Payroll taxes payable and other liabilities	3,035
	<u>1,209,096</u>
Total liabilities	<u>1,209,096</u>

Net Assets

Unrestricted	3,156,459
Temporarily restricted	174,605
Permanently restricted	4,142,402
	<u>7,473,466</u>
Total net assets	<u>7,473,466</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 8,682,562

The accompanying notes are an integral part of these financial statements.

The United Way of Union County, Inc.
Statement of Activities
For the Year Ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenues				
Gross campaign contributions	\$ -	1,267,500	-	1,267,500
Less provision for uncollectible pledges	-	(82,922)	-	(82,922)
Net campaign contributions	-	1,184,578	-	1,184,578
Contributions - other	74,846	-	-	74,846
Investment income, net of fees	41,102	-	97,858	138,960
Realized gain (loss) on investments	(3,069)	-	(3,414)	(6,483)
Unrealized gain (loss) on investments	30,066	-	744,728	774,794
Net assets released from restrictions:				-
Assets released for satisfaction of time restrictions	1,163,475	(1,163,475)	-	-
Distribution from beneficial interest in trust	82,390	-	(82,390)	-
Total public support, revenues and reclassifications	<u>1,388,810</u>	<u>21,103</u>	<u>756,782</u>	<u>2,166,695</u>
Expenses				
Program services	1,256,536	-	-	1,256,536
Management and general	133,076	-	-	133,076
Fundraising	43,526	-	-	43,526
Total expenses	<u>1,433,138</u>	<u>-</u>	<u>-</u>	<u>1,433,138</u>
Change in net assets	(44,328)	21,103	756,782	733,557
Net assets beginning of year	<u>3,200,787</u>	<u>153,502</u>	<u>3,385,620</u>	<u>6,739,909</u>
Net assets end of year	<u>\$ 3,156,459</u>	<u>174,605</u>	<u>4,142,402</u>	<u>7,473,466</u>

The accompanying notes are an integral part of these financial statements.

The United Way of Union County, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2016

	Program Services	Supporting Services			Total Functional Expenses
		Management & General	Fund Raising	Total	
Salaries	\$ 5,440	70,714	32,637	103,351	108,791
Employee benefits	365	4,748	2,192	6,940	7,305
Payroll taxes	416	5,410	2,497	7,907	8,323
Total salaries, benefits and taxes	6,221	80,872	37,326	118,198	124,419
Agency allocations	1,192,900	-	-	-	1,192,900
Community Impact Grants	17,595	-	-	-	17,595
Professional fees	-	5,300	-	5,300	5,300
Office expense	-	188	-	188	188
Campaign supplies	-	-	2,206	2,206	2,206
Telephone	-	3,783	-	3,783	3,783
Postage	-	1,327	-	1,327	1,327
Occupancy	-	7,114	-	7,114	7,114
Insurance	-	3,290	-	3,290	3,290
Travel	-	548	-	548	548
Conference and conventions	-	593	-	593	593
Administrative	-	1,712	-	1,712	1,712
Credit card fees	-	656	-	656	656
Miscellaneous	-	579	-	579	579
Repair and maintenance	-	280	-	280	280
Dues	-	13,161	-	13,161	13,161
Pension expense	666	8,654	3,994	12,648	13,314
Public relations	-	158	-	158	158
Advertising	-	969	-	969	969
Computer and computer programs	3,000	1,743	-	1,743	4,743
Community Impact Initiative	167	-	-	-	167
Meetings	-	1,247	-	1,247	1,247
Website	-	245	-	245	245
Imagination library	32,303	-	-	-	32,303
Hunger Alliance	36	-	-	-	36
Power of the Purse	2,991	-	-	-	2,991
Depreciation	657	657	-	657	1,314
	<u>\$ 1,256,536</u>	<u>133,076</u>	<u>43,526</u>	<u>176,602</u>	<u>1,433,138</u>

The accompanying notes are an integral part of these financial statements.

**The United Way of Union County, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES

Pledges collected -	
Current and prior year campaigns	\$ 1,222,436
Non-pledged contributions	74,846
	<u>1,297,282</u>
Cash paid for:	
Agency allocations and community impact grants	(1,218,852)
Salaries, employee insurance, payroll taxes and pension	(137,733)
Office operations	(14,670)
Dues	(14,644)
Occupancy	(7,114)
Professional fees	(5,300)
Campaign supplies	(2,206)
Insurance	(3,290)
Public relations and advertising	(1,127)
Travel, conferences and conventions	(1,141)
Imagination Library/Hunger Alliance/Power of the Purse expense	(35,330)
	<u>(1,441,408)</u>
Net cash provided (used) by operating activities	<u>(144,126)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Dividends and interest from investments	51,720
Trustee fees and expenses	(10,618)
Distribution from beneficial interest in trust	98,459
Purchases of fixed assets	-
Purchases of investments	(1,424,699)
Proceeds from maturities and sales of investments	1,390,041
	<u>104,903</u>
Net cash provided (used) by investing activities	<u>104,903</u>
Decrease in cash and cash equivalents	(39,223)
Cash and cash equivalents, beginning of year	747,956
Cash and cash equivalents, end of year	<u>\$ 708,733</u>

Cash and cash equivalents are included in the following categories in the statement of financial position:

Current assets	\$ 561,249
Investment accounts	147,484
Total cash and cash equivalents	<u>\$ 708,733</u>

The accompanying notes are an integral part of these financial statements.

The United Way of Union County, Inc.
Statement of Cash Flows (continued)
For the Year Ended December 31, 2016

**Reconciliation of change in net assets to net cash provided
by operating activities:**

Change in net assets	\$ 733,557
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,314
Unrealized (gain) loss on investments	(774,794)
Realized (gain) loss on investments	6,483
Decrease in pledges receivable	37,858
Decrease in promises to give	(8,190)
Decrease in other liabilities	(1,483)
Investment income included in the change of net assets	(138,960)
Increase in payroll taxes payable and accrued liabilities	89
Net cash provided (used) by operating activities	<u>\$ (144,126)</u>

The accompanying notes are an integral part of these financial statements.

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

The United Way of Union County, Inc. (United Way) is a non-profit, voluntary health and welfare organization governed by a volunteer Board of Directors (the "Board"). The purposes of United Way are to stimulate interest and participation of the citizens of Union County, Arkansas on behalf of the worthy charitable, health and welfare organizations; to promote efficiency by providing a means through which annual contributions can be made in one gift or pledge by reducing to a minimum multiple fund raising efforts; and to promote cooperation not only among participating agencies but among all such organizations in Union County, Arkansas.

United Way is exempt from federal income taxation under Internal Revenue Code Section 501(c)(3). However, income generated from activities unrelated to the exempt purpose of the United Way is subject to tax. The Organization did not have any unrelated business income during 2016.

Basis of Accounting and Presentation

The financial statements have been prepared on the accrual basis in accordance with the recommendations of the American Institute of Certified Public Accountants in its industry audit guide, *Not-for-Profit Organizations*. The United Way has adopted Financial Accounting Standards (FASB) Accounting Standards Codification (ASC) 958 which requires net assets of an organization to be presented, in the following classifications:

Unrestricted net assets – The part of the net assets of an organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets – The part of the net assets of an organization resulting (a) from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations, and (c) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of the Organization pursuant to those stipulations.

Permanently restricted net assets – The part of the net assets of an organization resulting (a) from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations, and (c) from reclassifications from (or to) other classes of net assets as a consequence of donor-imposed stipulations.

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions of Cash and Other Assets

In accordance with ACS 958, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor 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 and reported in the statement of activities as net assets released from restrictions.

United Way reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions over the useful lives of the donated or acquired long-lived assets.

Endowment contributions and investments are recorded as permanently restricted. Investment earnings available for distribution are recorded as unrestricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits and all short-term investments with maturity dates of three months or less.

Pledges Receivable and Pledge Loss Reserve

Contributions, including unconditional promises to give, are recorded as made. Receivables for pledges are recorded in the year promised and a reserve is provided for amounts estimated to be uncollectible. All contributions are available for unrestricted use unless specifically restricted by the donor.

The Organization uses the allowance method to determine uncollectable promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Property and Equipment

Property and equipment purchased by the Organization are recorded at cost at the date of acquisition. Contributed assets are capitalized at their fair values at the date of contribution. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Following is a summary of the estimated useful lives of the different classes of assets:

Furniture and equipment	5 years
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The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are carried at fair value, which is determined based on quoted market prices. Realized and unrealized gains and losses are reflected in the statement of activities. Gains and losses on sales transactions are recorded when realized based on the original cost (amortized in the case of bonds) of the investments sold based on the specific identification method. Earnings from investments are recorded as interest and dividends and are reflected in the statement of activities.

Compensated Absences

The Organization has not accrued compensated absences because the amount is considered to be immaterial to the financial statements.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Promises to Give to Others

Promises to give to others are allocations to other beneficiary agencies. The United Way records the promises to give when the Board of Directors provides its approval and the agencies are notified of their respective allocations. The recording constitutes a current liability and current expense during the year in which the allocations were approved.

Functional Expenses

The Organization allocates functional expenses between program services and supporting services based on an analysis of personnel time and space utilized for the related activities. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. However, many expenses relate to more than one function and must be allocated among the program and supporting services benefited.

Income Taxes

The United Way did not have net unrelated business income for the year ended December 31, 2016. No tax accrual for uncertain tax positions was recorded as management believes there are no uncertain tax positions for the United Way. The organization is generally no longer subject to examination by the Internal Revenue Service for fiscal years before 2013.

Subsequent Events

Management has evaluated events through July 5, 2017, the date the financial statements were available to be issued.

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2016

NOTE 2: PLEDGES RECEIVABLE

During 2016, the Board approved the closing of the 2014-15 fundraising campaign. As a result, all pledges receivable at December 31, 2016 relate to the prior and current year's fundraising periods. Management believes that pledges receivable, net of the reserve established for uncollectable accounts, will be fully collected during 2017.

Pledges receivable at December 31, 2016, includes the following:

	<u>Campaign Period</u>		<u>Total</u>
	<u>2015-16</u>	<u>2016-17</u>	
Pledges due in one year	\$ 144,647	1,091,817	1,236,464
Allowance for uncollectible pledges	<u>(66,087)</u>	<u>(73,522)</u>	<u>(139,609)</u>
Pledges receivable, net	<u>\$ 78,560</u>	<u>1,018,295</u>	<u>1,096,855</u>

NOTE 3: INVESTMENTS

The organization has adopted FASB ASC 820, Fair Value Measurement and Disclosures, which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. Under the standard, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts. It clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. In support of this principle, the standard establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. Under the standard, fair value measurements are separately disclosed by level with the fair value hierarchy.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 Inputs: Quoted prices in active markets for identical assets and liabilities. Level 1 inputs include certificates of deposit, exchange traded common stocks, mutual funds and money market funds.

Level 2 Inputs: Quoted prices for similar assets or liabilities in active markets; quoted prices for similar assets or liabilities that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies. Valuations in this category are inherently less reliable than quoted market prices due to the degree of subjectivity involved in determining appropriate methodologies and the applicable underlying assumptions. Instruments include in this category are warrants, and derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2016

NOTE 3: INVESTMENTS (continued)

Level 3 Inputs: Unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation. These financial instruments have inputs that cannot be validated by readily determinable market data and generally involve considerable judgment by management

At December 31, 2016, the Organization's deposits consisted of demand accounts and its investments consisted of certificates of deposit, U.S. government agency bonds, common stocks and mutual funds which are all considered to be Level I category investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a depository institution, the Organization will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2016, the Organization had \$61,199 in excess of FDIC insurance levels.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the Organization's investment activities are managed under the stewardship of the Finance Committee of the Board of Directors.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The organization does invest in foreign investments

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Organization's investment in a single issuer.

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2016

NOTE 3: INVESTMENTS (continued)

TRUST AND AGENCY ACCOUNTS

The organization maintains agency accounts with Wells Fargo Advisors to invest certain assets in accordance with the organization's investment policy. The composition of these accounts at December 31, 2016, was as follows:

	#1493 Wells Fargo	#7814 Wells Fargo	Total
Cash equivalents	115,681	31,803	147,484
Stocks, options & EFTs	-	703,378	703,378
Corporate bonds	-	146,548	146,548
Foreign bonds	-	19,032	19,032
U.S. government notes	1,595,038	183,604	1,778,642
Account total	<u>1,710,719</u>	<u>1,084,365</u>	<u>2,795,084</u>

Unrealized gains and losses on trust and agency accounts are as follows:

	Cost	Unrealized Gains	Unrealized Losses	Market Value
Stocks, options & EFTs	676,093	27,285	-	703,378
Corporate bonds	147,568	-	(1,020)	146,548
Foreign bonds	18,133	899	-	19,032
U.S. government notes	1,816,456	-	(37,814)	1,778,642

Maturity date of bonds:	Government	Corporate Bonds	Foreign Bonds
2017			
2018	179,838	9,284	
2019	273,763		
2020	764,669	16,268	
2021	266,547	10,193	
2022	58,475	18,905	
2023	192,200	9,672	9,035
2024		30,764	9,997
2025	43,150	10,080	
2026		20,781	
2027		10,276	
2034		10,325	
Total	<u>1,778,642</u>	<u>146,548</u>	<u>19,032</u>

**The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2016**

NOTE 3: INVESTMENTS (continued)

TRUST AND AGENCY ACCOUNTS (continued)

Net activity for the agency accounts in 2016 is as follows:

	#1493 Wells Fargo	#7814 Wells Fargo	Total
Balance 12/31/15	1,722,774	1,014,536	2,737,310
Interest/dividends	19,090	31,256	50,346
Realized gains/losses	(6,219)	3,150	(3,069)
Unrealized gains/losses	(15,975)	46,041	30,066
Donations	1,077	-	1,077
Distributions	(10,028)	-	(10,028)
Investment fees	-	(10,618)	(10,618)
Balance 12/31/16	<u>1,710,719</u>	<u>1,084,365</u>	<u>2,795,084</u>

BENEFICIAL INTEREST IN TRUST

In 1978 The United Way transferred assets in trust to establish an Endowment Fund (Endowment). The Organization is beneficiary of annual income distributions from the Endowment. The trustee was not granted variance power, that is, the unilateral power to redirect the use of transferred assets to another beneficiary. Because the trust was established by the United Way, the value of the United Way's beneficial interest in the trust is reported in these financial statements at the fair market value of the trust assets.

The composition of the Endowment at December 31, 2016, was as follows:

	Average Yield	Cost	Unrealized Gains	Unrealized Losses	Market Value
Cash equivalents	0.45%	\$ 21,606	-	-	21,606
Equity Securities:					
Common stock	1.93%	789,843	2,864,298	-	3,654,141
Mutual funds	0.78%	402,612	69,277	(5,234)	466,655
Total equity securities		<u>1,192,455</u>	<u>2,933,575</u>	<u>(5,234)</u>	<u>4,120,796</u>
Mutual funds - Fixed Income		-	-	-	-
Total beneficial interest in trust		<u>\$ 1,214,061</u>	<u>\$ 2,933,575</u>	<u>\$ (5,234)</u>	<u>\$ 4,142,402</u>

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2016

NOTE 3: INVESTMENTS (continued)

The endowment fund activity for the year ended December 31, 2016 is as follows:

Balance 12/31/15	3,385,619
Interest/dividends	101,694
Realized gains/losses	(3,414)
Unrealized gains/losses	744,728
Distributions	(82,390)
Expenses	(3,835)
Balance 12/31/16	<u>4,142,402</u>

The Endowment disbursed \$82,390 from earnings to the Organization at the end of the year. This amount was recorded as an account receivable by the Organization as of December 31, 2016 because the funds were in transit at year end.

NOTE 4: CONTRIBUTED SERVICES

Contributed services are not recorded due to the lack of specialization of the labor, difficulty of placing a monetary value on them and the absence of control over them. However, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fundraising.

NOTE 5: PENSION PLAN

The Organization maintains a Simplified Employee Pension plan (SEP) for all eligible employees. The organization contributed \$13,314 to the plan in 2016.

NOTE 6: PROPERTY AND EQUIPMENT

The following is a summary of furniture and equipment as of December 31, 2016.

Furniture and equipment	\$ 36,389
Less accumulated depreciation	<u>(31,807)</u>
Furniture and equipment, net of accumulated depreciation	<u>\$ 4,582</u>

Depreciation expense for 2016 was \$1,314.

NOTE 7: RELATED PARTY TRANSACTIONS

Affiliation agreements require an annual dues payment to the national United Way organization based on one percent of gross campaign revenue for the previous year. Dues paid by December 31, 2016 for 2015/2016 campaign revenues were \$14,644.

NOTE 8: LEASES

The Organization leases office space on a month-to-month basis. Rent expense for 2016 was \$7,114.

The United Way of Union County, Inc.
Notes to Financial Statements
December 31, 2016

NOTE 9: COMMITMENT TO AGENCY PROGRAMS

In December 2016, the United Way made unconditional pledges to agency programs for program initiative grant allocations to be paid January 1, 2017 through December 31, 2017. Accordingly, as of December 31, 2016, a liability of \$1,192,900 was recorded for the unconditional promises to give, and not yet paid, as of that date.

NOTE 10: TEMPORARILY AND PERMANENTLY RESTRICTED ASSETS

Temporarily and permanently restricted assets at December 31, 2016 are as follows:

Temporarily Restricted

2017 Pledges received prior to 12/31/16	174,605
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Permanently Restricted

Endowment	4,142,402
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NOTE 11: CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and pledges receivable. The Organization places its operating cash with local financial institutions. The Federal Deposit Insurance Corporation insures the balances in each financial institution up to \$250,000. As of December 31, 2016, there were uninsured cash balances of \$61,199 at these financial institutions.

During the year ended December 31, 2016, the Organization had pledges from four contributors of \$830,361 which is approximately 66% of 2016-2017 total campaign pledges. The contributions for the year ending December 31, 2016 were as follows:

	Pledge Amount	% of Total
Murphy USA	\$ 476,507	38%
Murphy Oil Corporation	183,979	15%
Deltic Timber Company	111,802	9%
El Dorado Chemical	58,073	5%
Total	\$ 830,361	66%

NOTE 12: PROGRAM EXPENSES

Program expenses are incurred for the following programs:

	Amount
Allocations to partner agencies	1,192,900
Community Initiatives	20,789
Education Focus Area	32,303
Total cost by program	1,245,992
Salaries and costs related to Program Activities	10,544
Total program costs	1,256,536