

UNITED WAY OF LEE COUNTY, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2015 AND 2014

**UNITED WAY OF LEE COUNTY, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
United Way of Lee County, Inc.
Fort Myers, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Lee County, Inc. which comprise the statements of financial position as of December 31, 2015 and 2014, and 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.

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 we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain 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 financials statement 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

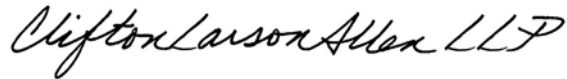
Board of Directors
United Way of Lee County, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Lee County, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The 2015 supplementary information on pages 20 and 21 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 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 as a whole.



CliftonLarsonAllen LLP

Fort Myers, Florida
July 14, 2016

**UNITED WAY OF LEE COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014**

	2015	2014
ASSETS		
Cash	\$ 1,826,756	\$ 1,979,157
Escrow Cash	18,609	21,976
Pledges Receivable:		
2015-2016 Campaign Less Allowance for Uncollectible Pledges of \$226,203	3,962,734	-
2014-2015 Campaign Less Allowance for Uncollectible Pledges of \$488,097 for 2015 and \$234,601 for 2014	626,633	3,775,152
2013-2014 Campaign Less Allowance for Uncollectible Pledges of \$459,237	-	547,206
Prepaid Expense	44,731	28,946
Due from Other Agencies	149,175	94,525
Beneficial Interest in Designated Endowment Assets Held by Others	99,892	124,806
Board-Designated Endowment	2,035,530	2,196,584
Land, Building, and Equipment, Net	1,551,012	1,649,759
Total Assets	\$ 10,315,072	\$ 10,418,111
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accrued Expenses	\$ 150,178	\$ 133,656
Donor Designations Payable	140,272	193,242
Deferred Revenue	19,424	-
Total Liabilities	309,874	326,898
NET ASSETS		
Unrestricted:		
Undesignated	(28,714)	(494,456)
Board-Designated Endowment	2,135,422	2,321,390
Invested in Land, Building, and Equipment	1,551,012	1,649,759
Total Unrestricted	3,657,720	3,476,693
Temporarily Restricted	6,347,478	6,614,520
Total Net Assets	10,005,198	10,091,213
Total Liabilities and Net Assets	\$ 10,315,072	\$ 10,418,111

See accompanying Notes to Financial Statements.

UNITED WAY OF LEE COUNTY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Annual Campaign - Current Year:			
Contributions and Pledges	\$ -	\$ 6,701,341	\$ 6,701,341
Less Donor Designations	-	(127,661)	(127,661)
Less Uncollectible Pledges	-	(226,202)	(226,202)
Net Campaign Revenue - Current Year	<u>-</u>	<u>6,347,478</u>	<u>6,347,478</u>
Annual Campaign - Prior Year:			
Contributions and Pledges	8,884,108	(7,020,387)	1,863,721
Less Donor Designations	(363,106)	171,266	(191,840)
Less Uncollectible Pledges	(387,438)	234,601	(152,837)
Net Campaign Revenue - Prior Year	<u>8,133,564</u>	<u>(6,614,520)</u>	<u>1,519,044</u>
Total Campaign Contributions, Net	8,133,564	(267,042)	7,866,522
Other Income:			
Rental Income	40,894	-	40,894
Program Grants	451,711	-	451,711
Investment Loss	(52,974)	-	(52,974)
Total Other Income	<u>439,631</u>	<u>-</u>	<u>439,631</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>-</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	8,573,195	(267,042)	8,306,153
EXPENSES			
Program Services:			
Agency Allocations	6,141,712	-	6,141,712
Less Donor Designations	(363,106)	-	(363,106)
Net Agency Allocations	<u>5,778,606</u>	<u>-</u>	<u>5,778,606</u>
Other Allocations and Agency Relations	126,504	-	126,504
Other Program Services	1,267,272	-	1,267,272
Payments to National and State			
United Way Organizations	<u>102,492</u>	<u>-</u>	<u>102,492</u>
Total Program Services	<u>7,274,874</u>	<u>-</u>	<u>7,274,874</u>
Support Services:			
Fundraising	586,624	-	586,624
Management and General	266,024	-	266,024
Building Expenses	264,646	-	264,646
Total Support Services	<u>1,117,294</u>	<u>-</u>	<u>1,117,294</u>
Total Expenses	<u>8,392,168</u>	<u>-</u>	<u>8,392,168</u>
CHANGE IN NET ASSETS	181,027	(267,042)	(86,015)
Net Assets - Beginning of Year	<u>3,476,693</u>	<u>6,614,520</u>	<u>10,091,213</u>
NET ASSETS - END OF YEAR	<u>\$ 3,657,720</u>	<u>\$ 6,347,478</u>	<u>\$ 10,005,198</u>

See accompanying Notes to Financial Statements.

UNITED WAY OF LEE COUNTY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Annual Campaign - Current Year:			
Contributions and Pledges	\$ -	\$ 7,020,387	\$ 7,020,387
Less Donor Designations	-	(171,266)	(171,266)
Less Uncollectible Pledges	-	(234,601)	(234,601)
Net Campaign Revenue - Current Year	<u>-</u>	<u>6,614,520</u>	<u>6,614,520</u>
Annual Campaign - Prior Year:			
Contributions and Pledges	8,609,159	(6,736,570)	1,872,589
Less Donor Designations	(541,021)	299,520	(241,502)
Less Uncollectible Pledges	(642,445)	241,207	(401,238)
Net Campaign Revenue - Prior Year	<u>7,425,693</u>	<u>(6,195,843)</u>	<u>1,229,850</u>
Total Campaign Contributions, Net	7,425,693	418,677	7,844,370
Other Income:			
Rental Income	34,974	-	34,974
Program Grants	248,134	-	248,134
Investment Gain	7,294	-	7,294
Total Other Income	<u>290,402</u>	<u>-</u>	<u>290,402</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>-</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	7,716,095	418,677	8,134,772
EXPENSES			
Program Services:			
Agency Allocations	6,085,959	-	6,085,959
Loss Donor Designations	(541,021)	-	(541,021)
Net Agency Allocations	5,544,938	-	5,544,938
Other Allocations and Agency Relations	118,379	-	118,379
Other Program Services	1,059,503	-	1,059,503
Payments to National and State			
United Way Organizations	96,818	-	96,818
Total Program Services	<u>6,819,638</u>	<u>-</u>	<u>6,819,638</u>
Support Services:			
Fundraising	524,040	-	524,040
Management and General	265,942	-	265,942
Building Expenses	234,486	-	234,486
Total Support Services	<u>1,024,468</u>	<u>-</u>	<u>1,024,468</u>
Total Expenses	<u>7,844,106</u>	<u>-</u>	<u>7,844,106</u>
CHANGE IN NET ASSETS	(128,011)	418,677	290,666
Net Assets - Beginning of Year	<u>3,604,704</u>	<u>6,195,843</u>	<u>9,800,547</u>
NET ASSETS - END OF YEAR	<u>\$ 3,476,693</u>	<u>\$ 6,614,520</u>	<u>\$ 10,091,213</u>

See accompanying Notes to Financial Statements.

UNITED WAY OF LEE COUNTY, INC.
STATEMENTS OF TOTAL FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Salaries	\$ 1,404,338	\$ 1,176,554
Employee Benefits	237,941	249,315
Payroll Taxes	113,296	103,286
	<u>1,755,575</u>	<u>1,529,155</u>
Auto and Travel	24,293	24,701
Buildings Maintenance	55,174	48,888
Depreciation	122,161	116,578
Direct Assistance	178,527	178,721
Dues and Subscriptions	2,580	1,705
Insurance	42,912	41,082
Meetings	11,521	8,271
Office Supplies	49,631	31,376
Other	43,662	15,015
Postage	34,134	33,231
Printing	21,963	13,937
Professional Fees	57,756	59,981
Rent	12,000	12,000
Rental Maintenance	24,471	21,508
Telephone	44,313	34,909
Training	3,022	5,013
Utilities	27,375	26,279
	<u>2,511,070</u>	<u>2,202,350</u>
Total	<u>\$ 2,511,070</u>	<u>\$ 2,202,350</u>

See accompanying Notes to Financial Statements.

**UNITED WAY OF LEE COUNTY, INC.
STATEMENT OF DETAIL FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015**

	Management and General	Fundraising	Allocations and Agency Relations	United Way 211	United Way Volunteer Center	Community Building Projects	Building Expenses	VITA	Totals
Salaries	\$ 144,591	\$ 354,252	\$ 94,136	\$ 431,775	\$ 170,965	\$ 123,206	\$ 38,623	\$ 46,790	\$ 1,404,338
Employee Benefits	21,250	60,936	16,192	74,272	29,409	21,190	6,644	8,048	237,941
Payroll Taxes	10,196	28,992	7,704	35,336	13,993	10,083	3,161	3,831	113,296
	<u>176,037</u>	<u>444,180</u>	<u>118,032</u>	<u>541,383</u>	<u>214,367</u>	<u>154,479</u>	<u>48,428</u>	<u>58,669</u>	<u>1,755,575</u>
Auto and Travel	728	9,084	1,421	3,823	2,032	6,595	28	582	24,293
Buildings Maintenance	6,740	-	-	-	-	5,380	43,054	-	55,174
Depreciation	41,535	-	-	-	-	-	80,626	-	122,161
Direct Assistance	-	-	-	178,527	-	-	-	-	178,527
Dues and Subscriptions	405	50	-	523	936	200	-	466	2,580
Insurance	2,562	-	-	-	-	276	40,074	-	42,912
Meetings	1,875	779	1,998	1,389	1,316	3,759	-	405	11,521
Office Supplies	8,188	18,749	2,111	1,167	14,337	3,546	-	1,533	49,631
Other	121	41,912	-	-	-	1,629	-	-	43,662
Postage	746	32,672	56	299	101	245	-	15	34,134
Printing	196	19,188	-	652	620	237	-	1,070	21,963
Professional Fees	21,914	12,024	1,246	15,419	2,485	3,669	237	762	57,756
Rent	-	-	-	-	-	12,000	-	-	12,000
Rental Maintenance	-	-	-	-	-	-	24,471	-	24,471
Telephone	4,977	7,015	1,127	17,448	2,485	5,043	5,720	498	44,313
Training	-	971	513	711	314	403	-	110	3,022
Utilities	-	-	-	-	-	5,367	22,008	-	27,375
Total	<u>\$ 266,024</u>	<u>\$ 586,624</u>	<u>\$ 126,504</u>	<u>\$ 761,341</u>	<u>\$ 238,993</u>	<u>\$ 202,828</u>	<u>\$ 264,646</u>	<u>\$ 64,110</u>	<u>\$ 2,511,070</u>

See accompanying Notes to Financial Statements.

UNITED WAY OF LEE COUNTY, INC.
STATEMENT OF DETAIL FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014

	Management and General	Fundraising	Allocations and Agency Relations	United Way 211	United Way Volunteer Center	Community Building Projects	Building Expenses	VITA	Totals
Salaries	\$ 139,986	\$ 319,525	\$ 84,712	\$ 389,907	\$ 57,075	\$ 121,682	\$ 22,573	\$ 41,094	\$ 1,176,554
Employee Benefits	29,635	68,194	17,922	82,260	12,267	25,148	4,846	9,043	249,315
Payroll Taxes	12,394	27,887	7,437	34,291	4,958	10,845	1,962	3,512	103,286
	<u>182,015</u>	<u>415,606</u>	<u>110,071</u>	<u>506,458</u>	<u>74,300</u>	<u>157,675</u>	<u>29,381</u>	<u>53,649</u>	<u>1,529,155</u>
Auto and Travel	1,115	10,938	3,037	2,730	898	4,136	-	1,847	24,701
Buildings Maintenance	6,760	-	-	-	-	8,623	33,505	-	48,888
Depreciation	39,637	-	-	-	-	-	76,941	-	116,578
Direct Assistance	-	-	-	178,721	-	-	-	-	178,721
Dues and Subscriptions	295	125	-	480	235	570	-	-	1,705
Insurance	2,529	-	-	-	-	254	38,299	-	41,082
Meetings	1,607	1,059	1,599	1,141	409	1,924	-	532	8,271
Office Supplies	2,138	22,512	1,559	1,453	367	1,517	-	1,830	31,376
Other	306	14,297	-	262	-	-	-	150	15,015
Postage	399	31,644	42	644	29	348	-	125	33,231
Printing	-	12,006	197	1,210	81	443	-	-	13,937
Professional Fees	26,731	10,756	1,097	10,385	878	1,059	8,000	1,075	59,981
Rent	-	-	-	-	-	12,000	-	-	12,000
Rental Maintenance	-	-	-	-	-	-	21,508	-	21,508
Telephone	2,074	5,097	741	14,721	741	4,581	6,359	595	34,909
Training	336	-	36	530	442	3,641	-	28	5,013
Utilities	-	-	-	-	-	5,786	20,493	-	26,279
Total	<u>\$ 265,942</u>	<u>\$ 524,040</u>	<u>\$ 118,379</u>	<u>\$ 718,735</u>	<u>\$ 78,380</u>	<u>\$ 202,557</u>	<u>\$ 234,486</u>	<u>\$ 59,831</u>	<u>\$ 2,202,350</u>

See accompanying Notes to Financial Statements.

UNITED WAY OF LEE COUNTY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Public Support and Revenue:		
Campaign Contributions and Public Support	\$ 7,494,381	\$ 7,453,044
Investment Income	68,584	94,926
Grants and Bequests	451,711	248,134
Other Revenue	40,894	34,974
Payments and Expenses:		
Payments to Agencies	(5,831,576)	(5,651,216)
Operating Expenses	(2,490,664)	(2,136,944)
Cash Flows Provided (Used) by Operating Activities	(266,670)	42,918
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(23,414)	(62,802)
Securities Purchases	(478,269)	(1,735,366)
Securities Sales	667,235	2,040,139
Payments from (to) Other Agencies	(51,283)	(50,003)
Cash Flows Provided by Investing Activities	114,269	191,968
INCREASE (DECREASE) IN CASH	(152,401)	234,886
Cash - Beginning of Year	1,979,157	1,744,271
CASH - END OF YEAR	\$ 1,826,756	\$ 1,979,157
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in Net Assets	\$ (86,015)	\$ 290,666
Adjustments for Noncash Items:		
Depreciation	122,161	116,578
Provision for Uncollectible Pledges	613,640	877,046
Realized Endowment Gain	(12,372)	(184,797)
Unrealized Endowment Loss	133,930	143,404
Noncash Contributions - Donated Securities	(149,470)	(217,913)
Changes in Assets and Liabilities:		
Pledges Receivable	(880,649)	(937,168)
Prepaid Expenses	(15,785)	(8,503)
Other Asset Accounts	24,914	16,109
Donor Designations Payable	(52,970)	(106,278)
Deferred Revenue	19,424	(375)
Accrued Expenses	16,522	54,149
Cash Flows Provided (Used) by Operating Activities	\$ (266,670)	\$ 42,918

See accompanying Notes to Financial Statements.

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

United Way of Lee County, Inc. (the Organization) is the designated United Way fund raising organization for Lee, Hendry, Glades, and Okeechobee Counties, Florida. The Organization provides funding for member agencies based upon a yearly allocation amount.

Basis of Preparation

The Organization reports 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.

Net Asset Classifications

Resources for various purposes are classified for accounting and financial reporting purposes into net asset categories established according to their nature and purpose as follows:

Unrestricted – Net assets not subject to donor-imposed restrictions. Such assets are available for any purpose consistent with the Organization’s mission.

Temporarily Restricted – Net assets subject to specific, donor-imposed restrictions that must be met by actions of the Organization and/or the passage of time. Such assets normally fund specific expenditures of an operating or capital nature.

Permanently Restricted – Net assets subject to donor imposed restriction requiring they be maintained permanently by the Organization. Such assets are normally restricted to long-term investment with income earned and appreciation available for specific or general Organization purposes. The Organization does not have any permanently restricted net assets as of December 31, 2015 and 2014.

Annual Campaign

United Way receives the majority of its funding resources by conducting an annual campaign among businesses and individuals residing in Lee, Hendry, Glades, and Okeechobee Counties, Florida. Funds raised that are not specifically designated to qualified agencies are allocated to community programs and services based on assessed needs, as determined primarily by volunteer committees.

An annual campaign is conducted from the latter part of the year into the first few months of the subsequent year. The amounts raised are used to fund the agency allocations in the subsequent year.

The annual campaign contributions and pledges received or receivable as of December 31 are recorded as temporarily restricted assets and are transferred to unrestricted assets in the year of the allocation to participating agencies.

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donor Designations

Donors to the campaign may designate all or part of their contributions to specific unaffiliated agencies. Accordingly, any amounts designated to unaffiliated agencies are not included as agency allocations and are recorded as a deduction from campaign contributions and gross allocations on the statements of activities. The amount of donor designations to specific unaffiliated agencies that remain unpaid at year-end is included in the statements of financial position as Donor Designations Payable.

Liquidity

Assets are presented in the accompanying statements of financial position according to the nearness of conversion to cash, and liabilities according to the nearness of their maturities and resulting use of cash.

Cash Balances and Cash Equivalents

The Organization considers all cash accounts subject to immediate withdrawal to be cash equivalents. The Organization may have bank deposits in excess of federally insured limits.

Pledges Receivable

Pledges receivable that are expected to be collected within one year are recorded at their net realizable value. Based on prior experience, the Organization expects that certain pledges receivable will be uncollectible. Using this experience, the Organization has computed a percentage of total pledges receivable to estimate their allowance for uncollectibles. It is reasonably possible that the estimate of uncollectible pledges will change in the coming year.

Board Designated Endowment

The Organization's investments in the Board-Designated Endowment consist principally of publicly traded debt and equity securities. These investments are reported at fair value. Investment income or loss, which includes gains and losses on investments, interest and dividends, is included in the statements of activities as an increase or decrease in unrestricted net assets unless their income or loss is restricted, in which case it is reflected as an increase or decrease in restricted net assets.

Land, Building, and Equipment

Land, building, and equipment are stated at cost. Depreciation is computed using the straight-line method over periods approximating the useful life of the assets.

Donated Assets

Donated assets are reflected as contributions at their estimated values at the date of receipt. No amounts have been reflected in the financial statements for donated services. A substantial number of volunteers donated significant amounts of their time in the Organization's fundraising campaign.

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is designated as a 501(c)(3) charitable organization by the Internal Revenue Service and is exempt from federal and state income taxes. The Organization follows the income tax standard for uncertain tax positions. The Organization has evaluated its tax positions and determined it has no uncertain tax positions as of December 31, 2015 and 2014.

Beneficial Interests in Designated Endowment Assets Held by Others

Beneficial Interests in Assets Held by Others are recorded at fair value. Interest income and market value change earned on the beneficial interest is recorded in the Organization's statements of activities.

Fair Value Measurement

The Organization follows the disclosure requirements for fair value measurements as required by generally accepted accounting principles. These requirements define fair value, establish a framework for measuring fair value, establish a fair value hierarchy based on the quality of inputs used to measure fair value, and require expanded disclosures about fair value measurements.

Financial assets and liabilities recorded on the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

Level 2 – Financial assets and liabilities are valued using inputs such as quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. Level 2 includes private collateralized mortgage obligations, municipal bonds, and corporate debt securities.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset and inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset. Level 3 includes private equity, venture capital, hedge funds, and real estate.

Subsequent to initial recognition, the Organization may re-measure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Organization adopted the policy to value certain financial instruments at fair value. The Organization has not elected to measure any existing financial instruments at fair value; however, it may elect to measure newly acquired financial instruments at fair value in the future.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 14, 2016, the date the financial statements were available to be issued.

NOTE 2 ESCROW CASH

The Organization serves as the collection agent for contributions from federal and state employees at the local level for distribution to various national and local charities. The escrow cash represents collections that are to be distributed to charities other than the Organization.

NOTE 3 BENEFICIAL INTEREST IN DESIGNATED ENDOWMENT ASSETS HELD BY OTHERS

During 1995 and 2001, the Organization transferred funds to the Southwest Florida Community Foundation for investment purposes. The Southwest Florida Community Foundation holds variance power over the funds and is holding the funds for the benefit of the Organization. Future benefits of these funds remain on the books of the Organization as the funds were originally donated to the Organization. The amounts are recorded at fair market value. The balance at December 31, 2015 and 2014 was \$99,892 and \$124,806, respectively.

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 4 BOARD-DESIGNATED ENDOWMENT (INVESTMENTS)

The Organization has also placed monies with financial institutions. The investments in these financial institutions consist of cash and publicly traded securities and are reflected at market value. All of these investments are considered to be Board-Designated Endowment. The investments consisted of the following at December 31, 2015 and 2014:

	Market Value	
	2015	2014
Marketable Securities (Equities)	\$ 1,613,724	\$ 1,721,916
Fixed Income Bonds - Funds (Fixed Income)	335,588	334,981
Cash Equivalents	86,218	139,687
Total	<u>\$ 2,035,530</u>	<u>\$ 2,196,584</u>

	Cost	
	2015	2014
Marketable Securities (Equities)	\$ 1,459,118	\$ 1,443,139
Fixed Income Bonds - Funds (Fixed Income)	346,480	336,114
Cash Equivalents	86,218	139,687
Total	<u>\$ 1,891,816</u>	<u>\$ 1,918,940</u>

The components of the Organization's investment income are presented below:

	2015	2014
Investment Earnings	\$ 68,584	\$ 94,926
Realized Gain	12,372	184,797
Unrealized Gain (Loss)	(133,930)	(143,404)
Total	(52,974)	136,319
Allocated to the 2014 Campaign to Fund Allocations	-	(129,025)
Total	<u>\$ (52,974)</u>	<u>\$ 7,294</u>

NOTE 5 LAND, BUILDING, AND EQUIPMENT

Land, building, and equipment are composed of the following at December 31:

	2015	2014
Land	\$ 29,192	\$ 29,192
Building	2,183,941	2,171,133
Furniture and Equipment	240,877	240,093
Computers and Software	135,651	125,829
Vehicles	5,316	5,316
Total	2,594,977	2,571,563
Less: Accumulated Depreciation	(1,043,965)	(921,804)
Total	<u>\$ 1,551,012</u>	<u>\$ 1,649,759</u>

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 5 LAND, BUILDING, AND EQUIPMENT (CONTINUED)

The Organization's capital assets are depreciated over the following time frames:

Building	25 Years
Furniture and Equipment	5 to 7 Years
Computers and Software	3 to 5 Years
Vehicles	5 Years

NOTE 6 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are composed of 2015 campaign pledges restricted for 2016 program and support services.

NOTE 7 RETIREMENT PLAN

The Organization has a 401(k) profit sharing plan that covers eligible employees over the age of 21 with at least one year of service. Under this plan, the Organization matches 100% of eligible employee contributions that do not exceed 3% of their compensation, plus 50% of eligible employee's contributions between 3% and 5% of their compensation. The plan also provides that the Organization may make an annual discretionary profit sharing contribution of up to 3% of eligible employee's compensation. For the years ended December 31, 2015 and 2014, the Organization elected to make the maximum profit sharing contribution resulting in a total contribution to the plan of \$61,269 and \$60,456, respectively.

NOTE 8 GRANTS

The Organization was the recipient of the following grants during the years ended December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Help Me Grow Grant	\$ 141,691	\$ 22,741
Mentor Program - Children's Network	125,000	-
Hendry County Building Grants	71,211	71,250
Lee County Emergency Management Grants	45,000	45,000
211 Navigator Grant	30,535	36,331
VITA	22,416	-
FEMA	5,855	-
Healthy Transitions	5,803	-
Lee County EOC Grant	4,200	4,200
Direct Assistance Grants	-	33,798
Foulds Foundation Grant	-	17,814
211 Technology Grant	-	17,000
Total	<u>\$ 451,711</u>	<u>\$ 248,134</u>

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 9 FAIR VALUE MEASUREMENTS

The following table presents the classification of the Organization's investments as of December 31, 2015, in accordance with the levels described in Note 1 to these financial statements:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Marketable Securities (Equities)	\$ 1,613,724	\$ -	\$ -	\$ 1,613,724
Beneficial Interest in Designated Endowment Assets Held by Others	-	-	99,892	99,892
Fixed Income Bond Funds (Fixed Income)	<u>335,588</u>	<u>-</u>	<u>-</u>	<u>335,588</u>
Total	<u>\$ 1,949,312</u>	<u>\$ -</u>	<u>\$ 99,892</u>	<u>\$ 2,049,204</u>

At December 31, 2015, the Board-Designated Endowment on the statement of financial position included \$86,218 of cash equivalents.

The Beneficial Interest in Designated Endowment Assets Held by Others has been classified as Level 3 due to the limited number of inputs available to the Organization in determining fair value. A reconciliation of activity for the year ended December 31, 2015 is as follows:

Balance, Beginning of the Year	\$ 124,806
Realized and Unrealized Gains/Losses Included in Investment Income	<u>(24,914)</u>
Balance, End of Year	<u>\$ 99,892</u>

The following table presents the classification of the Organization's investments as of December 31, 2014, in accordance with the levels described in Note 1 to these financial statements:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Marketable Securities (Equities)	\$ 1,721,916	\$ -	\$ -	\$ 1,721,916
Beneficial Interest in Designated Endowment Assets Held by Others	-	-	124,806	124,806
Fixed Income Bond Funds (Fixed Income)	<u>334,981</u>	<u>-</u>	<u>-</u>	<u>334,981</u>
Total	<u>\$ 2,056,897</u>	<u>\$ -</u>	<u>\$ 124,806</u>	<u>\$ 2,181,703</u>

At December 31, 2014, the Board-Designated Endowment on the statement of financial position included \$139,687 of cash equivalents.

UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 9 FAIR VALUE MEASUREMENTS (CONTINUED)

The Beneficial Interest in Designated Endowment Assets Held by Others has been classified as Level 3 due to the limited number of inputs available to the Organization in determining fair value. A reconciliation of activity for the year ended December 31, 2014 is as follows:

Balance, Beginning of the Year	\$ 140,915
Realized and Unrealized Gains/Losses Included in Investment Income	<u>(16,109)</u>
Balance, End of Year	<u>\$ 124,806</u>

Beneficial Interest in Assets Held by Others is measured at fair value with a valuation technique utilizing market prices at the close of the last day for the statement period, provided by Southwest Florida Community Foundation.

NOTE 10 BOARD DESIGNATED ENDOWMENT

As of December 31, 2015 and 2014, the board had designated \$2,135,422 and \$2,321,390, respectively, of unrestricted net assets as a general endowment to support the mission of the Organization.

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization has no donor restricted endowment.

The Organization classifies as board-designated endowment net assets (a) the original value of gifts designated by the board as endowment, (b) the original value of subsequent gifts to the board-designated endowment, and (c) accumulated investment earnings and/or losses to the board-designated endowment in accordance with board designations.

In deciding on the proper treatment of the endowed funds, the Organization considered the following factors in making a determination to appropriate or accumulate endowment funds:

- (1) The purposes of the Organization;
- (2) The long-term and short-term needs of the Organization in carrying out its purposes;
- (3) The general economic conditions;
- (4) The possible effect of inflation or deflation;
- (5) The other resources of the Organization; and
- (6) Perpetuation of the endowment.

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 10 BOARD DESIGNATED ENDOWMENT (CONTINUED)

The following is a summary of the Organization's endowment fund activity and investments for the years ended December 31, 2015 and 2014:

	2015	2014
Endowment Investment Assets		
at Beginning of Year	\$ 2,321,390	\$ 2,382,966
Changes in Market Value	(121,719)	44,917
Investment Earnings	78,743	98,137
Deposits to the Fund	-	-
Withdrawals from the Fund	(129,259)	(190,600)
Administrative Expenses	(13,733)	(14,030)
Endowment Investment Assets		
at End of Year	\$ 2,135,422	\$ 2,321,390

Investment Objectives and Strategies

The Organization has adopted an investment policy to provide guidelines for investing endowment assets. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner to maximize return within reasonable and prudent levels of risk, and with proper monitoring and assessment of associated costs; follow an investment policy based on total return, not yield; realize sufficient total return to help support a broad level of programs and services; and provide seed money for new ventures. To achieve these objectives, the Organization follows an asset diversification plan, sets performance benchmarks for investments managers, and has established various asset quality and limitations thresholds.

Spending Policy

The Organization does not have a written policy of appropriating for distribution any particular amount. Annually the board of directors may approve the transfer of the fund's net investment income to the campaign, in an amount not to exceed 8% of the fund's asset value.

NOTE 11 RELATED PARTY TRANSACTIONS

The Organization maintains a bank depository account at a financial institution in which an Organization board member was an officer during the years ended December 31, 2015 and 2014. The bank depository account balance held at this financial institution at December 31, 2015 and 2014 totaled \$54,548 and \$123,841, respectively.

The Organization maintains a money market account at a financial institution in which an Organization board member was an officer during the years ended December 31, 2015 and 2014. The money market account balance held at this financial institution at December 31, 2015 and 2014 totaled \$507,022 and \$394,289, respectively.

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 11 RELATED PARTY TRANSACTIONS (CONTINUED)

The Organization maintains, either directly or through a custodial relationship, a brokerage account utilized to receive and sell security donations with a financial institution through a brokerage firm in which an Organization board member was an officer during the years ended December 31, 2015 and 2014. Security donations received and deposited into this brokerage account during the years ended December 31, 2015 and 2014 totaled \$149,470 and \$217,913, respectively. The brokerage account balance held at the financial institution at December 31, 2015 and 2014 totaled \$1,990 and \$1,059, respectively.

SUPPLEMENTARY INFORMATION

**UNITED WAY OF LEE COUNTY, INC.
ALLOCATIONS TO AGENCIES
YEAR ENDED DECEMBER 31, 2015**

	Agency Allocations		
	United Way Directed	Donor Directed	Total
The Salvation Army of Lee, Hendry & Glades	\$ 441,800	\$ 700	\$ 442,500
SalusCare	378,392	1,500	379,892
Children's Advocacy Center of Southwest Florida	335,100	1,700	336,800
Abuse Counseling & Treatment Center (ACT)	318,200	-	318,200
Community Cooperative	285,100	1,246	286,346
LARC	242,000	1,500	243,500
Children's Home Society of Florida-Southwest Division	222,386	1,000	223,386
Boys & Girls Club of Lee County	222,140	770	222,910
Literacy Council of the Gulf Coast	170,500	-	170,500
Boy Scouts of America Southwest Florida Council	156,500	16,000	172,500
Healthy Start Coalition of Southwest Florida	155,292	-	155,292
American Red Cross - Florida's Southern Gulf	154,000	700	154,700
The Sky Family YMCA	152,000	-	152,000
Harry Chapin Food Bank of Southwest Florida	140,595	7,500	148,095
IMPACT for Developmental Education	129,000	-	129,000
Goodwill Industries of Southwest Florida	128,300	-	128,300
Catholic Charities of Lee, Hendry & Glades Counties	121,000	-	121,000
Lehigh Community Services	102,600	-	102,600
Alvin A Dubin Alzheimer's Resource Center	99,750	5,000	104,750
Good Wheels	98,000	-	98,000
Child Care of Southwest Florida	95,600	250	95,850
Lee County Legal Aid Society	90,000	-	90,000
Friendship Centers	86,500	-	86,500
AHF/ICAN	84,000	-	84,000
Early Learning Coalition of Southwest Florida	80,000	-	80,000
AMIkids Southwest Florida	72,000	1,000	73,000
Big Brothers Big Sisters of the Suncoast	70,500	5,000	75,500
Bonita Springs Assistance Office	70,000	360	70,360
Interfaith Charities of South Lee	68,600	-	68,600
Lighthouse of SWFL	66,000	-	66,000
Hope HealthCare Services	65,000	3,000	68,000
NAMI - Lee County	56,076	-	56,076
Dr. Piper Center for Social Services	51,000	-	51,000
Quality Life Center	48,000	500	48,500
AFCAAM	45,000	-	45,000
Pace Center for Girls of Lee County	42,000	250	42,250
F.I.S.H. of Sanibel-Captiva	37,500	1,535	39,035
Amigos Center	37,000	-	37,000
Girl Scouts of Gulfcoast Florida	37,000	-	37,000
Special Equestrians	35,000	600	35,600
Partners for Breast Cancer Care	32,000	-	32,000
Subtotal	5,321,431	50,111	5,371,542

**UNITED WAY OF LEE COUNTY, INC.
 ALLOCATIONS TO AGENCIES (CONTINUED)
 YEAR ENDED DECEMBER 31, 2015**

	Agency Allocations		
	United Way Directed	Donor Directed	Total
Subtotal from Previous Page	\$ 5,321,431	\$ 50,111	\$ 5,371,542
Beacon of HOPE	28,000	-	28,000
Children's Network of SWFL	27,000	-	27,000
Gladiolus Learning and Development Center	25,000	2,500	27,500
Lutheran Services	25,000	-	25,000
PSEP/Scholars Program, FGCU	20,000	-	20,000
Triage Center	20,000	-	20,000
Hope Clubhouse	18,000	-	18,000
Café of Life	17,500	-	17,500
Guardian Ad Litem Foundation	16,386	-	16,386
Blessings in a Backpack Lee County	16,000	-	16,000
Epilepsy Services of Southwest Florida	15,000	-	15,000
Lifeline Family Center	15,000	3,000	18,000
Martha's House	15,000	-	15,000
The Heights Center	15,000	2,500	17,500
Healthy Families Hendry & Glades Counties	13,000	-	13,000
Bonita Springs Lions Eye Clinic	12,500	-	12,500
Hospice of Okeechobee	12,500	-	12,500
Social Norming Project/The School District of Lee County	12,500	-	12,500
Agape Home	12,000	-	12,000
Our Mother's Home of Southwest Florida	11,000	1,000	12,000
Hibiscus Children's Center	10,000	-	10,000
New Horizons of SWFL	10,000	-	10,000
Real Life Children's Ranch	10,000	-	10,000
My Aunt's House	9,100	-	9,100
Human Trafficking Awareness Partnerships	8,364	-	8,364
Children's Home Society of Florida-Treasure Coast Division	8,000	-	8,000
Other United Ways & Non-United Way Agencies	7,440	302,495	309,935
Treasure Coast Food Bank	7,000	-	7,000
Shared Services Network of Okeechobee County	6,400	-	6,400
Dress for Success SWFL	5,000	-	5,000
Redlands Christian Migrant Association (RCMA)	5,000	-	5,000
Castle	4,000	-	4,000
211 Palm Beach Treasure Coast	3,500	-	3,500
Big Brothers Big Sisters of St. Lucie, Indian River & Okeechobee Counties	3,500	-	3,500
Disabled Veterans Insurance Careers	3,485	1,500	4,985
Hendry Glades Behavioral Health Center	3,000	-	3,000
Early Learning Coalition of Indian River, Martin & Okeechobee Counties	2,600	-	2,600
Southwest Florida Regional Human Trafficking Coalition	2,400	-	2,400
Okeechobee Educational Foundation	2,000	-	2,000
Total	\$ 5,778,606	\$ 363,106	\$ 6,141,712