

UNITED WAY OF WILLIAMSON COUNTY

JUNE 30, 2018 and 2017

**Report
of
Examination**

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INDEPENDENT AUDITOR'S REPORT

August 13, 2018

Board of Directors
United Way of Williamson County
Franklin, Tennessee

We have audited the accompanying financial statements of United Way of Williamson County (a nonprofit organization) which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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 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 positions of United Way of Williamson County as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of operating expenses-actual to budget on page 13 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.

Parsons and Associates

Parsons and Associates, CPAs

**UNITED WAY OF WILLIAMSON COUNTY
STATEMENTS OF FINANCIAL POSITION
JUNE 30**

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
<u>Current Assets</u>		
Cash – checking	\$ 490,201	\$ 596,611
– interest bearing accounts	157,103	155,584
Total cash and cash equivalents	<u>647,304</u>	<u>752,195</u>
Certificates of deposit (over 3 months)	400,014	450,022
Pledges receivable, net	1,420,525	1,494,287
Out of area pledges receivable	237,676	219,219
Designations – direct pay	1,017,198	507,845
Prepaid expenses	272,890	217,207
Other receivable	16,837	13,676
Designations receivable	106,335	3,775
<u>Total Current Assets</u>	<u>4,118,779</u>	<u>3,658,226</u>
<u>Investments (Fair Market Value)</u>	<u>2,947,426</u>	<u>2,993,383</u>
<u>Property and Equipment (net of accumulated depreciation)</u>	<u>60,244</u>	<u>62,009</u>
<u>Other Assets</u>		
Gift cards	<u>1,382</u>	<u>815</u>
<u>Total Assets</u>	<u>\$7,127,831</u>	<u>\$6,714,433</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
<u>Current Liabilities and Deferred Credits</u>		
Accounts payable	\$ 25,501	\$ 16,683
Designations payable to out-of-area	300,309	298,108
<u>Total Liabilities and Deferred Credits</u>	<u>325,810</u>	<u>314,791</u>
<u>Net Assets</u>		
Unrestricted net assets		
Unappropriated	164,797	302,315
Board designation	1,879,889	1,929,889
Temporarily restricted net assets	4,757,335	4,167,438
<u>Total Net Assets</u>	<u>6,802,021</u>	<u>6,399,642</u>
<u>Total Liabilities and Net Assets</u>	<u>\$7,127,831</u>	<u>\$6,714,433</u>

See accompanying notes and auditor's report.

**UNITED WAY OF WILLIAMSON COUNTY
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30**

PUBLIC SUPPORT AND REVENUE	2018		2017
	Unrestricted	Temporarily Restricted	Total
Gross campaign results in prior year - released from restrictions	\$4,342,205	\$	\$4,718,380
(Less gross donor designations)	<u>(1,428,252)</u>		<u>(1,304,499)</u>
Campaign Revenue	2,913,953		3,413,881
(Less provision for uncollectible)	<u>(286,840)</u>		<u>(307,662)</u>
Net Campaign Revenue	<u>2,627,113</u>		<u>3,106,219</u>
Gross Campaign Results		4,722,999	4,252,945
(Less provision for uncollectible)		<u>(310,585)</u>	<u>(286,064)</u>
Net Campaign Revenue		<u>4,412,414</u>	<u>3,966,881</u>
Other contributions	48,538		1,042,887
Designations from other United Ways	76,859	145,612	125,817
In-kind contributions	554,629		497,828
Service fees	30,896		55,828
Grants and contracts	199,832	137,224	254,304
Investment income	129,903		82,420
Realized gain (losses)	79,820		35,858
Unrealized gains (losses)	19,959		139,050
Released from restriction		(4,105,353)	(4,634,619)
TOTAL REVENUE	<u>3,767,549</u>	<u>589,897</u>	<u>4,672,473</u>
EXPENSES			
Program Services			
Gross funds awarded/distributed	1,826,390		2,189,879
Grants and contracts	328,969		279,092
Program services	899,814		848,015
Supporting services	<u>899,894</u>		<u>793,233</u>
TOTAL EXPENSES	<u>3,955,067</u>		<u>4,110,219</u>
Increase in net assets	(187,518)	589,897	562,254
Net Assets – July 1	<u>2,232,204</u>	<u>4,167,438</u>	<u>5,837,388</u>
Net Assets – June 30	<u>\$2,044,686</u>	<u>\$4,757,335</u>	<u>\$6,399,642</u>

See accompanying notes and auditor's report.

**UNITED WAY OF WILLIAMSON COUNTY
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30**

	2018				Total
	Program Services	Support Services			
	Allocation	Administration	Fundraising	Total	
Gross funds awarded and designated	\$3,254,642	\$	\$	\$	\$3,254,642
Projects and contracts	328,969				328,969
(Less donor designations)	<u>(1,428,252)</u>				<u>(1,428,252)</u>
	<u>2,155,359</u>				<u>2,155,359</u>
Salaries and wages	237,551	223,578	237,551	461,129	698,680
Incentive Compensation	1,207	1,136	1,207	2,343	3,550
Employee benefits	28,182	26,524	28,182	54,706	82,888
Payroll taxes	18,878	17,768	18,879	36,647	55,525
Independent contractor	503	474	503	977	1,480
Donor's relations	1,275	1,200	1,275	2,475	3,750
Worker's compensation insurance	6,726	6,329	6,726	13,055	19,781
Audit and accounting fees	2,499	2,352	2,499	4,851	7,350
In kind – Marketing	218	219	5,023	5,242	5,460
In kind – projects and activities	497,670	50,427	1,072	51,499	549,169
Office supplies	2,265	2,132	2,264	4,396	6,661
Telephone and internet expense	2,110	1,985	2,110	4,095	6,205
Postage expense	1,590	1,496	1,590	3,086	4,676
Occupancy	30,023	28,257	30,023	58,280	88,303
General and liability insurance	1,048	986	1,048	2,034	3,082
License, fees and permits	807	760	808	1,568	2,375
Cleaning services	1,387	1,306	1,387	2,693	4,080
Equipment leases and maintenance	2,109	1,985	2,110	4,095	6,204
Software support	4,175	3,930	4,175	8,105	12,280
Miscellaneous expense	334	314	334	648	982
Awards	2,942	2,769	2,941	5,710	8,652
Advertising and promotions	1,474	1,387	1,474	2,861	4,335
Outside printing	3,219	3,029	3,219	6,248	9,467
Auto allowance local	1,088	1,023	1,088	2,111	3,199
Conferences and training	1,413	1,330	1,413	2,743	4,156
Credit card fees/ePledge fees	0	0	17,467	17,467	17,467
Directors and Officers insurance	557	524	557	1,081	1,638
Equipment depreciation	4,653	4,379	4,653	9,032	13,685
Payroll processing fees	4,723	4,445	4,723	9,168	13,890
IT Support	8,115	7,638	8,115	15,753	23,868
Organization dues	2,216	2,086	2,216	4,302	6,518
Organization meetings and events	1,871	1,761	1,871	3,632	5,502
United Way Worldwide dues	16,986	15,987	16,986	32,973	49,960
Investment fees	0	23,987	0	23,987	23,987
Small equipment purchases	0	1,729	0	1,729	1,729
Donor relation supplies	0	0	1,910	1,910	1,910
Endowment planned giving	0	0	24,763	24,763	24,763
DSOG philanthropy	0	0	12,500	12,500	12,500
2-1-1 Program support	10,000	0	0	0	10,000
	<u>899,814</u>	<u>445,232</u>	<u>454,662</u>	<u>899,894</u>	<u>1,799,708</u>
Total Functional Expenses	<u>\$3,055,173</u>	<u>\$445,232</u>	<u>\$454,662</u>	<u>\$899,894</u>	<u>\$3,955,067</u>

See accompanying notes and auditor's report.

**UNITED WAY OF WILLIAMSON COUNTY
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30**

2017

	Program Services	Support Services			Total
		Administration	Fundraising	Total	
		\$	\$	\$	\$
Gross funds awarded and designated	\$3,494,378				\$3,494,378
Projects and contracts	279,092				279,092
(Less donor designations)	<u>(1,304,499)</u>				<u>(1,304,499)</u>
	<u>2,468,971</u>				<u>2,468,971</u>
Salaries and wages	221,208	214,888	195,927	410,816	632,024
Incentive Compensation	1,400	1,360	1,240	2,600	4,000
Employee benefits	25,232	24,511	22,348	46,859	72,090
Payroll taxes	17,429	16,931	15,437	32,369	49,798
Independent contractor	531	516	471	987	1,518
Donor's relations	14,195	13,790	12,573	26,363	40,558
Worker's compensation insurance	6,813	6,619	6,035	12,654	19,467
Audit and accounting fees	2,520	2,448	2,232	4,680	7,200
In kind – Marketing	1,897	1,360	6,022	7,382	9,279
In kind – projects and activities	453,062	17,487	18,000	35,487	488,549
Office supplies	2,689	2,613	2,382	4,995	7,684
Telephone and internet expense	2,084	2,024	1,845	3,869	5,953
Postage expense	1,590	1,544	1,408	2,952	4,542
Occupancy	28,711	27,890	25,429	53,320	82,030
General and liability insurance	1,125	1,093	997	2,090	3,215
License, fees and permits	756	735	670	1,405	2,161
Cleaning services	1,446	1,404	1,280	2,685	4,130
Equipment leases and maintenance	1,620	1,574	1,435	3,009	4,629
Software support	3,639	3,535	3,223	6,758	10,397
Miscellaneous expense	502	488	445	932	1,434
Awards	2,113	2,052	1,871	3,923	6,036
Advertising and promotions	2,748	2,669	2,434	5,103	7,850
Outside printing	3,062	2,975	2,712	5,687	8,749
Auto allowance local	1,785	1,734	1,581	3,315	5,100
Conferences and training	511	496	452	948	1,459
Credit card fees/ePledge fees	0	0	15,801	15,801	15,801
Campaign events	0	0	2,000	2,000	2,000
Directors and Officers insurance	587	570	520	1,090	1,677
Equipment depreciation	3,503	3,403	3,102	6,505	10,008
Payroll processing fees	4,805	4,668	4,256	8,923	13,728
IT Support	9,711	9,434	8,602	18,036	27,747
Organization dues	2,307	2,241	2,043	4,284	6,591
Organization meetings and events	1,615	1,568	1,430	2,998	4,613
United Way Worldwide dues	16,820	16,339	14,897	31,236	48,056
Investment fees	0	16,254	0	16,254	16,254
Small equipment purchases	0	4,921	0	4,921	4,921
2-1-1 Program support	10,000	0	0	0	10,000
	<u>848,015</u>	<u>412,133</u>	<u>381,100</u>	<u>793,233</u>	<u>\$1,641,248</u>
Total Functional Expenses	<u>\$3,316,986</u>	<u>\$412,133</u>	<u>\$381,100</u>	<u>\$793,233</u>	<u>\$4,110,219</u>

See accompanying notes and auditor's report.

**UNITED WAY OF WILLIAMSON COUNTY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30**

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 402,379	\$ 562,254
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operations: depreciation	13,684	10,008
Changes in operating assets and liabilities		
(Increase) decrease in pledges and designations receivable	(28,798)	258,712
(Increase) decrease in certificates of deposits	50,008	0
(Increase) decrease in other receivables and accruals	(3,161)	7,450
(Increase) decrease in designations and receivables	(527,810)	(44,507)
(Increase) decrease in prepaid expenses	(55,683)	290,750
(Increase) decrease in other assets	(567)	(815)
(Increase) decrease in investments	65,917	(112,829)
(Increase) decrease in unrealized gain	(19,960)	(139,050)
Increase (decrease) in accounts payable and accrued expenses	8,818	1,803
Increase (decrease) in designations payable – out of county	2,201	(124,254)
Net cash provided (used) by operating activities	<u>(92,972)</u>	<u>709,522</u>
Cash flows from investing activities		
Funding of investment account	0	(1,000,000)
Purchase of fixed assets	(11,919)	(19,627)
Net cash (used) by investing activities	<u>(11,919)</u>	<u>(1,019,627)</u>
Increase (decrease) in cash and cash equivalents	(104,891)	(310,105)
Cash and cash equivalents - July 1	752,195	1,062,300
Cash and cash equivalents - June 30	<u>\$ 647,304</u>	<u>\$ 752,195</u>

See accompanying notes and auditor's report.

**UNITED WAY OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The United Way of Williamson County of Tennessee is a not-for-profit organization chartered on June 28, 1961. Its 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. It is governed by a volunteer board of directors.

Basis of Accounting

The financial statements of United Way of Williamson County have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of imposed restrictions. Accordingly, net assets of the Organization are classified and reported as follows:

Unrestricted Net Assets

Net assets that are not subject to imposed stipulations.

Temporarily Restricted Net Assets

Net assets subject to imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets

Net assets subject to imposed stipulations that they be maintained permanently by the Organization. Generally, these assets permit the use of all or part of the income earned on any related investments for general or specific purposes. The Organization had no permanently restricted net assets at June 30, 2018 and 2017.

Revenue and Campaign Expenses

Revenue from pledges is recognized in the period for which the pledges are designated. Campaign expenses for annual campaigns are recognized in the period in which the expense is incurred.

Pledges receivable are recorded as received with an allowance provided for estimated uncollectible accounts. Campaign support is recognized as a change to temporarily restricted net assets until the year of allocation. Contributions are considered available for use as approved by the Board of Directors unless specifically restricted or designated by the donor.

Community Investments

Community investments to agencies are recognized as expenses in the period that corresponds to the campaign revenues recognized.

Equipment, Improvements and Depreciation

The Organization capitalizes all expenditures with a useful life of 5 years or more. Equipment and improvements are stated at cost less accumulated depreciation. Donated equipment is carried at the approximate fair market value at the date of donation. Depreciation is being provided by use of the straight-line method over the estimated useful lives of the related assets.

**UNITED WAY OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

Functional Expenses

The allocation of salaries and indirect expenditures into functional categories is based upon the amount of time spent in the various functions by the Organization's personnel and other appropriate basis of allocation.

Donated Services

Contributions of services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Volunteers provide services throughout the year that are not recognized as contributions in the financial statements since the criteria for SFAS No. 116 are not met.

Income Tax Exemption

The organization has been granted exempt status as a charitable organization under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code; accordingly, no provision for income taxes has been made in the financial statements.

Estimates

Management has made estimates and assumptions relating to the reporting of certain assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

Cash and Cash Equivalents

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

Grants

Grants (private, state, federal) are received which enhance the United Way of Williamson County's ability to provide services and activities within the community. Grants are managed according to UWWC internal controls and the stipulations of the granting agency. Separate financial accounts are maintained for each grant, including revenues and expenses, and are reviewed periodically by the Finance Committee.

Investments

Investments in marketable equity securities with readily determinable fair values are stated at fair market values.

NOTE 2 - PLEDGES RECEIVABLE

Pledges receivable consisted of the following:

<u>Campaign year</u> <u>as of June 30, 2018</u>	<u>Future</u>	<u>2017</u>	<u>Prior</u>	<u>Total</u>
Campaign pledges	\$41,075	\$1,690,034	\$266,139	\$1,997,248
Less allowance for doubtful pledges	<u>0</u>	<u>(310,585)</u>	<u>(266,139)</u>	<u>(576,724)</u>
	<u>\$41,075</u>	<u>\$1,379,449</u>	<u>\$ 0</u>	<u>\$1,420,524</u>
<u>Campaign year</u> <u>as of June 30, 2017</u>	<u>Future</u>	<u>2016</u>	<u>Prior</u>	<u>Total</u>
Campaign pledges	\$18,266	\$1,762,090	\$195,102	\$1,975,458
Less allowance for doubtful pledges	<u>0</u>	<u>(286,069)</u>	<u>(195,102)</u>	<u>(481,171)</u>
	<u>\$18,266</u>	<u>\$1,476,021</u>	<u>\$ 0</u>	<u>\$1,494,287</u>

**UNITED WAY OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

It is the policy to remove from the records of the Organization the unpaid pledges of the campaign performed two years prior to the current campaign.

NOTE 3 – ALLOWANCE FOR DOUBTFUL PLEDGES

<u>Campaign year as of June 30, 2018</u>	<u>2017</u>	<u>Prior</u>	<u>Total</u>
Balance – beginning	\$ 0	\$286,069	\$286,069
Adjustments to allowances for doubtful accounts:			
Addition based on percentage	<u>310,585</u>	(19,930)	(19,930)
	<u>\$310,585</u>	<u>\$266,139</u>	<u>\$576,724</u>

Allowance for doubtful pledges is computed based on 3 year historical average and estimates of current economic factors, applied to gross campaign, including donor designations.

NOTE 4 – CAMPAIGN FOR 2017

The 2017 campaign was conducted during the fall of 2017 and the support from that campaign is presented as temporarily restricted net assets at June 30, 2018. The majority of campaign funds will be received during the calendar year 2018. Allocations based on the 2017 campaign will be disbursed to the member agencies during the July 2018 - June 2019 fiscal year. Pledges received during the 2018 campaign exceeded \$4,500,000.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2018</u>	<u>2017</u>
Furniture and equipment	\$339,144	\$327,225
Accumulated depreciation	<u>(278,900)</u>	<u>(265,216)</u>
	<u>\$ 60,244</u>	<u>\$ 62,009</u>

NOTE 6 - PENSION PLAN

The Organization contributes to a defined contribution pension plan covering its employees who have completed six months of service and are at least 21 years of age. The Organization matches the elective deferrals up to 3% of the employee's compensation and 50% of the elective deferral of the next 2% deferrals of employee's compensation. Vesting occurs immediately. Net pension costs for the years ended June 30, 2018 and 2017 were \$19,980 and \$16,471, respectively.

NOTE 7 - LEASES

In early 2017, the office space lease was extended from 2017 until January 2021. Office rent for the year ended June 30, 2018 was \$80,051. Rent expense for future periods is:

Period ending	Amount
June 2019	\$84,983
June 2020	\$84,983
Jan 2021	\$42,492

**UNITED WAY OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

NOTE 8 - CONCENTRATIONS OF RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The United Way of Williamson County maintains cash balances at several financial institutions located in Middle Tennessee. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2018 and 2017, uninsured cash balances total \$256,026 and \$478,425, respectively.

NOTE 9 - AGENCY ENDOWMENT FUND

During the year ended June 30, 1998, the Board of Directors of United Way of Williamson County approved the creation of an Agency Endowment Fund with the Community Foundation of Middle Tennessee. The fund is named the United Way of Williamson County Fund.

Earnings of the "Fund" may be re-invested in the "Fund" or distributed to United Way of Williamson County on an annual basis. The market value of the fund was \$362,187 and \$354,729 at June 30, 2018 and 2017, respectively. This fund is not an asset of the United Way of Williamson County and, therefore, not included in these financial statements. Distributions in the amount of \$16,900 and \$17,500 were received during the June 30, 2018 and 2017 years, respectively.

NOTE 10 – NET ASSETS

Temporarily restricted net assets at June 30 are available for the following purposes:

	<u>2018</u>	<u>2017</u>
Contributions to support allocations and operations of future periods	\$4,731,005	\$4,141,108
Local Disaster Relief	<u>26,330</u>	<u>26,330</u>
Total	<u>\$4,757,335</u>	<u>\$4,167,438</u>

NOTE 11 – INTEREST BEARING ACCOUNTS

Certificates of deposit totaling \$553,557 and \$605,606 as of June 30, 2018 and 2017, respectively, are included in cash equivalents as interest bearing accounts in the accompanying financial statements. The certificates bear interest rates currently ranging from .05% to 1.69% with maturities of twelve months or less.

NOTE 12 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of the Organization's financial instruments are as follows:

	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 135,399	\$ 135,399
Long-term investments: fixed income		
Fixed income	484,925	468,558
Equities	1,339,672	1,726,294
Other	<u>604,438</u>	<u>617,175</u>
Total	<u>\$2,564,434</u>	<u>\$2,947,426</u>

Long-term investments – the fair value of long-term investments are estimated based on quoted market prices for these investments.

NOTE 13 – RISK MANAGEMENT

The Organization is exposed to various risks of loss. During the fiscal year, the Organization contracted with various insurance companies for various types of insurance. There were no significant reductions in coverage from prior years and there have been no claims that have exceeded insurance coverage in any of the last three years.

**UNITED WAY OF WILLIAMSON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

NOTE 14 – INCOME TAXES

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and application state law.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for years ended June 30, 2018 and June 30, 2017.

The Organization files its forms 990 in the U.S. federal jurisdiction and the office of the Secretary of State for the State of Tennessee. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2013.

NOTE 15 – GRANTS

A grant agreement has been made between the Organization and Mercy Community Healthcare (a Tennessee nonprofit 501c(3) organization) for funding up to \$424,394 for the Behavioral Health Program in Williamson County Schools. Payments are to be made quarterly and are contingent on various agreed upon measurement goals. Payments during the fiscal year 2018 were \$114,268.

Remaining payments scheduled for:
2019 \$ 50,000

**UNITED WAY OF WILLIAMSON COUNTY
SCHEDULE OF OPERATING EXPENSES - ACTUAL TO BUDGET
YEAR ENDED JUNE 30, 2018**

<u>Budgeted</u>	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
Salaries and payroll expenses	\$ 698,680	\$ 728,538	\$ 29,858
Employee incentive compensation	3,550	4,000	450
Employee benefits	82,888	96,000	13,112
Donor relations incentive and training	3,750	15,000	11,250
Independent contractor	1,480	0	(1,480)
Payroll taxes and worker compensation	75,306	78,700	3,394
Payroll & benefits processing	13,890	15,000	1,110
Audit and accounting fees	7,350	6,825	(525)
Office supplies	6,661	7,200	539
Telephone expense	6,205	5,000	(1,205)
Postage expense	4,676	5,200	524
Office rent	80,053	83,543	3,492
General and liability insurance	3,082	3,300	218
Directors and officers insurance	1,638	1,700	62
Electric and gas service	5,204	4,900	(304)
Licenses, fees and permits	2,375	2,500	125
Building maintenance	3,047	1,500	(1,547)
Cleaning service	4,080	4,280	200
Equipment maintenance	6,204	5,100	(1,104)
Software support	12,280	11,400	(880)
Miscellaneous expense	982	1,000	18
Awards and recognition	8,652	10,000	1,348
Advertising and promotion	4,335	7,500	3,165
Campaign materials and printing	9,467	9,000	(467)
Campaign supplies	1,910	2,000	90
Auto allowance local	3,199	7,000	3,801
Conferences and training	4,156	2,000	(2,156)
Organizational meetings and events	5,502	4,000	(1,502)
E-Way/E-Pledge charges	1,496	2,500	1,004
Credit card fees	15,971	15,000	(971)
2-1-1 support	10,000	10,000	0
IT support	23,868	24,000	132
UWTN dues	6,518	7,000	482
Depreciation	13,685	10,000	(3,685)
Small equipment	1,729	5,000	3,271
UWW dues	49,960	52,000	2,040
DSOG expenses	12,500	0	(12,500)
Total Budgeted	<u>1,196,329</u>	<u>1,247,686</u>	<u>51,359</u>
 <u>Non-Budgeted</u>			
Endowment and planned giving	24,763	0	
Marketing in-kind	5,460	0	
In-kind projects & events	549,169	0	
Investment fees	23,987	0	
Total Non-Budgeted Expenses	<u>603,379</u>	<u>0</u>	
 Total Operating Expenses	 <u>\$1,799,708</u>	 <u>\$1,247,686</u>	

See accompanying notes and auditor's report.