

UNITED WAY OF
SANTA ROSA COUNTY, INC.
COMPILATION OF FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
DURST JORDAN, CPA, PA

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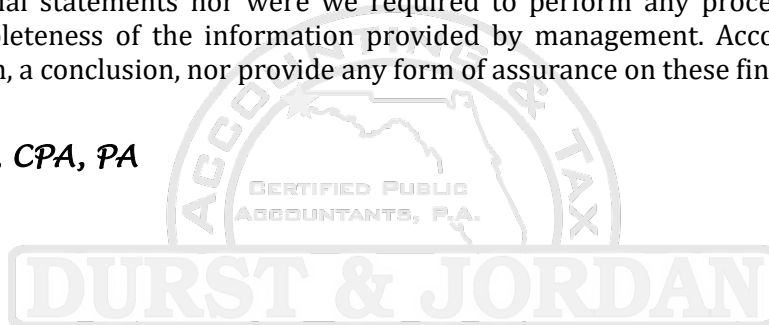
Accountant's Compilation Report

To the Board of
United Way of Santa Rosa County, Inc.:

Management is responsible for the accompanying financial statements of United Way of Santa Rosa County, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Durst Jordan, CPA, PA

Pace, FL
August 9, 2018



United Way of Santa Rosa County, Inc.
Statement of Financial Position
December 31, 2017

ASSETS		
Cash	\$	66,326
Accounts receivable		
Campaign funds, net of allowance		270,641
Grants receivable		21,639
Due from related party		99
Property and equipment, net of accum. depreciation		1,427,419
Construction in progress		<u>54,651</u>
TOTAL ASSETS	\$	<u>1,840,775</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities		
Accounts payable and accruals	\$	10,424
Designations payable		62,569
Lines of credit		114,343
Current portion of long-term debt		<u>35,849</u>
Total current liabilities		223,185
Long term liabilities		
Long-term debt, less current portion		<u>1,271,552</u>
Total long term liabilities		<u>1,271,552</u>
Total liabilities		<u>1,494,737</u>
NET ASSETS		
Unrestricted		171,273
Temporarily restricted		<u>174,765</u>
Total net assets		<u>346,038</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>1,840,775</u>

See accompanying notes and independent accountant's compilation report.

United Way of Santa Rosa County, Inc.

Statement of Activities

Year Ended December 31, 2017

	Unrestricted	Temporarily Restricted	Total
CAMPAIGN RESULTS			
Current Period			
Contributions received in current period	\$ -	-	-
Contributions received in prior periods (released from restrictions)	488,350	(488,350)	-
Less donor designations (released from restriction)	(62,500)	62,500	-
Less provision for uncollectible contributions (released from restriction)	(239,767)	239,767	-
Total current period contributions and net assets (released from restriction)	186,083	(186,083)	-
Next Period			
Contributions received applicable to next period	-	405,849	405,849
Less donor designations	-	(5,208)	(5,208)
Less provision for uncollectible contributions	-	(130,000)	(130,000)
Total next period contributions	-	270,641	270,641
TOTAL CAMPAIGN RESULTS AND NET ASSETS (RELEASED FROM RESTRICTIONS)	186,083	84,558	270,641
OTHER SUPPORT			
Other program support	54,705	211,704	266,409
Rental revenue	75,108	-	75,108
Interest income	51	-	51
TOTAL OTHER SUPPORT	129,864	211,704	341,568
TOTAL REVENUES AND NET ASSETS (RELEASED FROM RESTRICTIONS)	\$ 315,947	296,262	612,209
ALLOCATIONS AND OTHER FUNCTIONAL EXPENSES			
Program services			
Distributions to agencies	103,350	-	103,350
Less designated distributions	(52,083)	-	(52,083)
Agency relations and services	255,062	-	255,062
Grants and aid	6,800	259,754	266,554
Total program services	313,129	259,754	572,883
Supporting services			
Management and general	64,898	-	64,898
Fundraising	56,984	-	56,984
Total supporting services	121,882	-	121,882
TOTAL ALLOCATIONS AND OTHER FUNCTIONAL	435,011	259,754	694,765
CHANGE IN NET ASSETS	\$ (119,064)	36,508	(82,556)
NET ASSETS - BEGINNING OF YEAR	290,337	138,257	428,594
NET ASSETS - END OF YEAR	\$ 171,273	174,765	346,038

See accompanying notes and independent accountant's compilation report.

United Way of Santa Rosa County, Inc.
Statement of Functional Expenses
Year Ended December 31, 2017

	Support Services			Total
	Program Services	Management and General	Fundraising	
Employee compensation				
Salaries and wages	\$ 158,619	\$ 38,523	\$ 29,458	\$ 226,600
Payroll taxes and benefits	10,280	2,496	1,909	14,685
Total employee compensation	168,899	41,019	31,367	241,285
Operating expenses				
Bank charges	738	-	-	738
Depreciation	20,711	5,031	3,846	29,588
Distributions				
To agencies	103,350	-	-	103,350
Less designated distributions	(52,083)	-	-	(52,083)
Dues and subscriptions	4,393	879	1,004	6,276
Grants and aid	245,854	-	-	245,854
Insurance	9,595	2,329	1,782	13,706
Interest	29,174	7,085	5,418	41,677
Office supplies and other	7,006	1,702	1,301	10,009
Printing, postage, and publication	438	105	81	624
Professional fees	6,195	1,505	1,151	8,851
Program supplies and awards	7,026	-	7,025	14,051
Property tax	57	14	11	82
Repairs and maintenance	6,997	1,699	1,299	9,995
Thrift store expenses	-	-	-	-
Travel	2,606	633	484	3,723
Utilities	11,927	2,897	2,215	17,039
Total operating expenses	403,984	23,879	25,617	453,480
TOTAL FUNCTIONAL EXPENSES	\$ 572,883	\$ 64,898	\$ 56,984	\$ 694,765

See accompanying notes and independent accountant's compilation report.

United Way of Santa Rosa County, Inc.
Statement of Cash Flows
Year Ended December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (82,556)
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	29,588
Changes in assets and liabilities:	
(Increase) decrease in campaigns receivable	25,209
(Increase) decrease in grants receivable	(19,564)
(Increase) decrease in due from related party	2,607
Increase (decrease) in allowance for doubtful	(5,000)
Increase (decrease) in accounts payable and accruals	6,255
Donor designations payable - current campaign	15,694
Net cash flows from operating activities	<u>\$ (27,767)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases (disposals) of land, buildings, and equipment	<u>\$ (54,651)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Loan proceeds received	43,170
Principal payments on notes payable	<u>(1,660)</u>
NET CHANGE IN CASH	\$ (40,908)
CASH AT BEGINNING OF YEAR	<u>107,234</u>
CASH AT END OF YEAR	<u><u>\$ 66,326</u></u>
SUPPLEMENTAL DISCLOSURES	
Interest paid	<u>\$ 41,677</u>
Income taxes paid	<u><u>-</u></u>

See accompanying notes and independent accountant's compilation report.

United Way of Santa Rosa County, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Purpose

The United Way of Santa Rosa County, Inc. (the Organization) was incorporated on August 21, 1957, under the laws of the State of Florida to assess, develop, and promote needed human service programs in Santa Rosa County, Florida.

The major program of the Organization is conducting a fundraising campaign each year and distributing those funds according to both donor designations and allocations of undesignated contributions as approved by the Board of Directors.

B. Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Codification Standards for not-for-profit entities. Under the Codification Standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted net assets – net assets not restricted by donors, or donor-imposed restrictions have expired.

Temporarily restricted net assets – net assets which contain donor-imposed restrictions that require the Organization to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by actions of the Organization.

Permanently restricted net assets - net assets which contain donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The Organization does not have any permanently restricted net assets as of December 31, 2017.

C. Cash and Cash Equivalents

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

D. Receivables

Receivables consist primarily of funds to be received from fundraising campaigns and reimbursement from other campaigns run by the Organization. An allowance for doubtful accounts for campaign funds is calculated based on prior collection experience.

United Way of Santa Rosa County, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Expense Allocation

The costs of providing the various programs and other activities have been detailed in the Statement of Functional Expenses and summarized on a functional basis in the Statement of Activities. Expenses directly related to a program or supporting services are charged to that program or supporting service. Indirect expenses are allocated between program services and supporting services based on the percentage of actual labor hours, which for 2017 were 70% and 30%, respectively.

F. Property and Equipment

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$500. If donated, property and equipment are recorded at fair market value at the date of donation. Depreciation of buildings and equipment is computed using straight-line depreciation over the estimated useful lives of the assets, which range from 5 to 39.5 years.

Gifts of property and equipment are presented as unrestricted support unless explicit donor stipulations specify how the donated asset 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 when the donated or acquired long-lived assets are placed in service (as assets are used in the Organization's activities).

G. Donated Materials and Service

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Donated land, materials, and equipment are reflected as contributions in the accompanying statements at their estimated values at the date of receipt.

H. Contributions

Contributions, including promises to give, are recognized as revenues in the period in which they are received. Donor restricted contributions are classified as unrestricted revenues if the restrictions are met in the same reporting period in which the contributions are received. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a 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 of Santa Rosa County, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Donor Designations

Some donors designate the specific agency that is to receive their contributions. These donor designations are presented as an offset to contributions received in the Statement of Activities. The amounts that have not been remitted to the designated agency at year-end are presented as a liability in the Statement of Financial Position.

I. Fundraising Expenses

Administrative and campaign expenses are considered an expense in the year incurred and, accordingly, are charged to operations on a current basis.

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. Comparative Data

The financial statements include certain prior-year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2017, from which the summarized information is derived. Certain summarized amounts presented in the prior year have been reclassified in order to be consistent with the current year presentation.

L. Income Taxes

The Organization has been granted an exemption from income taxes under Internal Revenue Code, Section 501(c)(3) as a not-for-profit corporation.

M. Subsequent Events

The Organization has evaluated events and transactions that occurred between December 31, 2017, and August 9, 2018, which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

United Way of Santa Rosa County, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 – CAMPAIGN RECEIVABLES

The following is a summary of campaign receivables as of December 31, 2017:

2017 Campaign	\$ 400,641
Less Allowance for Doubtful Accounts	<u>(130,000)</u>
Total Campaign Funds Receivable, net of allowance	<u><u>\$ 270,641</u></u>

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2017, are summarized as follows:

Land	\$ 597,133
Warehouse	66,874
Building	254,234
Improvements	747,689
Furniture and Fixtures	13,308
Equipment	<u>26,154</u>
	1,705,392
Less Accumulated Depreciation	<u>(277,973)</u>
Property and Equipment, net	<u><u>\$ 1,427,419</u></u>

Construction in Progress is related to the buildout of the Highway 90 property and was \$54,651 as of December 31, 2017.

Depreciation expense for the year ended December 31, 2017 was \$29,588.

NOTE 4 – NOTES PAYABLE

The Organization has the following note payable as of December 31, 2017:

Note payable to a bank with monthly principal and interest payments of \$7,792 beginning March 2018 will be due until November 2023, when a balloon payment of \$1,051,334 is due. The note bears an interest rate of 2.79% until March 30, 2018 when it increases to 3.79%.

United Way of Santa Rosa County, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4 – NOTES PAYABLE (CONTINUED)

A schedule of future maturities of the notes is as follows:

2018	\$	35,849
2019		44,910
2020		46,532
2021		48,486
2022		50,382
2023		<u>1,094,841</u>
Total		1,321,000

As of December 31, 2016, the Organization adopted ASU 2015-03, *Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*, which is effective for years beginning after December 15, 2015. This ASU requires debt issuance costs to be reported in the statement of financial position as a direct deduction from the face amount of the note. Amortization of debt issuance costs is reported as interest expense. Prior-period information has been retrospectively adjusted to write-off the asset for loan costs to interest expense as the remaining asset related to a loan that was paid-off during the year. The calculation of notes payable as of December 31, 2017 is as follows:

Face amount of loan	\$	1,321,000
Less debt issuance costs		<u>11,939</u>
Note payable, net of debt issuance costs		1,309,061
Less 2017 amortization of debt issuance costs		<u>1,660</u>
Net note payable at 12/31/17	\$	<u><u>1,307,401</u></u>

NOTE 5 – LINE OF CREDIT

The Organization has an available line of credit of \$100,000 with a bank. The line bears an interest rate of 8% and there was a balance on the line of credit at December 31, 2017 of \$78,757.

Additionally, the Organization has a second line of credit available of \$75,000 with another bank. The line expires on October 19, 2018 and bears an interest rate of 5.75%. There was a balance on this line of credit at December 31, 2017 of \$35,586.

NOTE 6 – DESIGNATIONS PAYABLE

At December 31, 2017, the balance consisted of \$62,569 payable to the Santa Rosa Community Clinic for the current and following year campaign.

United Way of Santa Rosa County, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 7 – CONCENTRATIONS

The Organization recorded campaign contributions for unconditional promises to give of approximately \$237,000 from two corporate donors, which represents approximately 59% of total campaign funds.

NOTE 8 – LEASES IN THE FINANCIAL STATEMENTS OF LESSORS

The Organization (lessor) entered into a lease agreement with Covenant Hospice, Inc. for office space within its building on Caroline Street in Milton, FL. The lease has a term of three years, which began in May 2015 and expires in June 2018. The lessee renewed the lease for an additional three years expiring June 2021. The lease requires monthly payments of \$4,880 for the duration of the lease. In addition, the tenant is required to pay proportionate utilities, insurance, pest control, and lawn maintenance charges.

Future minimum rent payments to be received are as follows:

2018	\$	58,560
2019		58,560
2020		58,560
2021		29,280
Total	\$	<u>204,960</u>

NOTE 9 – IN KIND CONTRIBUTIONS

During 2017, the Organization provided conference room space to affiliated agencies for program related activities. Management has estimated value of rental at \$6,800 based on event usage and fair value of rent. Such amount has been recorded as in-kind rental revenue, and grants and aid in the accompanying financial statements.

NOTE 10 – DUE FROM RELATED PARTY

At December 31, 2017, the Organization had \$99 due from a related party. As of the date of these financial statements, substantially all amounts were paid by the related party.