

**United Way of the  
Central Savannah River Area, Inc.**

*Report on the Financial Statements*

*For the Years Ended December 31, 2017 and 2016*

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# United Way of the Central Savannah River Area, Inc.

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## **Independent Auditor's Report**

The Board of Directors  
United Way of the Central Savannah River Area, Inc.  
Augusta, Georgia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of United Way of the Central Savannah River Area, Inc. (a nonprofit organization), ("United Way" or "United Way of the CSRA"), which comprise the statements of financial position as of December 31, 2017 and 2016, the related statements of cash flows and functional expenses for the years then ended, and the related statement of activities for the year ended December 31, 2017, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit 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 United Way of the Central Savannah River Area, Inc. as of December 31, 2017 and 2016, and the related statements of cash flows and functional expenses for the years then ended, and the related statement of activities for the year ended December 31, 2017 in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited United Way of the Central Savannah River Area, Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 4, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Elliott Davis, LLC*

Augusta, Georgia  
April 26, 2018

# United Way of the Central Savannah River Area, Inc.

## Statements of Financial Position

As of December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
<b><i>Current assets</i></b>		
Cash and cash equivalents	\$ 2,649,913	\$ 2,547,423
Certificate of deposit, current portion	-	80,000
Pledges receivable, net of provision for uncollectible pledges	1,076,996	935,221
Accounts receivable	58,313	182,033
Prepaid expenses	107,265	134,527
Total current assets	<u>3,892,487</u>	<u>3,879,204</u>
<b><i>Property and equipment, net</i></b>	10,698	60,573
<b><i>Certificate of deposit, net of current portion</i></b>	80,002	-
Total assets	<u>\$ 3,983,187</u>	<u>\$ 3,939,777</u>
<b>Liabilities and net assets</b>		
<b><i>Current liabilities</i></b>		
Accounts payable and accrued liabilities	\$ 139,173	\$ 121,503
Amounts payable to designated agencies	236,596	257,017
Allocations payable	941,448	1,004,050
Deferred revenue	23,306	109,656
Total current liabilities	<u>1,340,523</u>	<u>1,492,226</u>
<b><i>Net assets</i></b>		
Unrestricted	1,316,345	1,419,534
Temporarily restricted	1,326,319	1,028,017
Total net assets	<u>2,642,664</u>	<u>2,447,551</u>
Total liabilities and net assets	<u>\$ 3,983,187</u>	<u>\$ 3,939,777</u>

See Notes to the Financial Statements

# United Way of the Central Savannah River Area, Inc.

## Statements of Activities

For the year ended December 31, 2017, with comparative totals for the year ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total 2017	Total 2016
<b>Public Support and Revenues</b>				
<b>2013 Gross Campaign Results</b>				
Bad debt recovery (expense)	\$ 2,703	\$ -	\$ 2,703	\$ (1,467)
Net campaign revenues	2,703	-	2,703	(1,467)
<b>2014 Gross Campaign Results</b>				
Adjustment to donor designations	-	-	-	37,679
Bad debt recovery (expense)	169	-	169	7,641
Net campaign revenues	169	-	169	38,387
<b>2015 Gross Campaign Results</b>				
Net campaign revenues	40,005	-	40,005	1,514,495
Less donor designations	(5,257)	-	(5,257)	(60,371)
Change in provision for uncollectible	13,792	-	13,792	(60,000)
Net campaign revenues	48,540	-	48,540	1,394,124
<b>2016 Gross Campaign Results</b>				
Net campaign revenues	1,834,939	-	1,834,939	1,326,230
Less donor designations	(78,061)	-	(78,061)	(177,528)
Less provision for uncollectible	(12,000)	-	(12,000)	(200,685)
Net campaign revenues	1,744,878	-	1,744,878	948,017
<b>2017 Gross Campaign Results</b>				
Net campaign revenues	-	1,662,018	1,662,018	-
Less donor designations	-	(206,199)	(206,199)	-
Less provision for uncollectible	-	(209,500)	(209,500)	-
Net campaign revenues	-	1,246,319	1,246,319	-
Non-campaign corporate designations	40,225	-	40,225	84,919
Less non-campaign corporate designations expense	(40,225)	-	(40,225)	(84,919)
	-	-	-	-
	1,796,290	1,246,319	3,042,609	2,424,381
<b>Other revenues</b>				
Special events	76,973	-	76,973	77,634
Service fees	25,112	-	25,112	20,127
Grants	172,742	-	172,742	158,385
Investment income	3,605	-	3,605	3,796
Miscellaneous income	14,629	-	14,629	35,383
Gain from sale of property and equipment	99,698	-	99,698	-
Combined Federal Campaign (CFC) reimbursement	26,202	-	26,202	122,819
Grant gifts in kind	175,683	-	175,683	291,194
Other donations and contributions, including in-kinds	151,738	-	151,738	182,624
Net assets released from restrictions	948,017	(948,017)	-	-
	1,694,399	(948,017)	746,382	891,962
<b>Total public support &amp; revenues</b>	<b>3,490,689</b>	<b>298,302</b>	<b>3,788,991</b>	<b>3,316,343</b>
<b>Expenses</b>				
<b>Program services</b>				
Gross funds awarded/distributed	2,093,118	-	2,093,118	2,144,723
Less donor designations	(289,517)	-	(289,517)	(230,258)
Net funds awarded/distributed	1,803,601	-	1,803,601	1,914,465
Other program services	719,755	-	719,755	847,717
Total program services	2,523,356	-	2,523,356	2,762,182
Supporting services	1,070,522	-	1,070,522	1,092,280
Total expenses	3,593,878	-	3,593,878	3,854,462
<b>(Decrease) increase in net assets</b>	<b>(103,189)</b>	<b>298,302</b>	<b>195,113</b>	<b>(538,119)</b>
<b>Net assets, beginning of year</b>	<b>1,419,534</b>	<b>1,028,017</b>	<b>2,447,551</b>	<b>2,985,670</b>
<b>Net assets, end of year</b>	<b>\$ 1,316,345</b>	<b>\$ 1,326,319</b>	<b>\$ 2,642,664</b>	<b>\$ 2,447,551</b>

See Notes to the Financial Statements

# United Way of the Central Savannah River Area, Inc.

## Statements of Cash Flows

For the years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Operating activities</b>		
Increase (decrease) in net assets	\$ 195,113	\$ (538,119)
Adjustments to reconcile the increase (decrease) in net assets to net cash and cash equivalents used in operating activities:		
Gain from sale of property and equipment	(99,698)	-
Depreciation	7,133	6,329
Contributions in-kind	293,623	416,720
Expenses relating to contributions in-kind	(293,623)	(416,720)
Changes in deferred and accrued amounts:		
Pledges receivable, net of provision for uncollectible pledges	(141,775)	393,095
Accounts receivable	123,720	(5,340)
Prepaid expenses	27,262	9,761
Accounts payable and accrued liabilities	17,670	26,427
Amounts payable to designated agencies	(20,421)	19,774
Allocations payable	(62,602)	4,000
Deferred revenue	(86,350)	12,990
Net cash used in operating activities	<u>(39,948)</u>	<u>(71,083)</u>
<b>Investing activities</b>		
Deposits to certificate of deposit, net	(2)	-
Purchases of equipment	(7,560)	(7,190)
Proceeds from sale of property and equipment	150,000	-
Net cash provided by (used in) investing activities	<u>142,438</u>	<u>(7,190)</u>
Net increase (decrease) in cash and cash equivalents	102,490	(78,273)
<b>Cash and cash equivalents, beginning of year</b>	2,547,423	2,625,696
<b>Cash and cash equivalents, end of year</b>	<u>\$ 2,649,913</u>	<u>\$ 2,547,423</u>

See Notes to the Financial Statements

**United Way of the Central Savannah River Area, Inc.**  
**Statement of Functional Expenses**  
**For the year ended December 31, 2017**

	PROGRAM SERVICES				SUPPORT SERVICES					Total
	Community Investment	Community Impact	Grants	2-1-1	Total Program Services	Management, General & Marketing	Fund-Raising	CFC	Total Support Services	
<b>EXPENSES</b>										
Allocations/awards	\$ 2,093,118	\$ -	\$ -	\$ -	\$ 2,093,118	\$ -	\$ -	\$ -	\$ -	\$ 2,093,118
Less donor designations	(289,517)	-	-	-	(289,517)	-	-	-	-	(289,517)
Net allocations	1,803,601	-	-	-	1,803,601	-	-	-	-	1,803,601
<b>Salaries &amp; Related Expenses</b>										
Salaries	-	86,210	30,498	92,536	209,244	286,682	222,571	8,723	517,976	727,220
Unemployment	-	-	-	-	-	-	-	4,620	4,620	4,620
Health & life insurance	-	4,055	5,640	23,087	32,782	26,384	35,465	1,062	62,911	95,693
Retirement	-	7,639	2,560	9,067	19,266	27,004	16,424	814	44,242	63,508
Payroll taxes	-	6,548	2,645	7,430	16,623	22,824	17,904	693	41,421	58,044
Total salaries & related expenses	-	104,452	41,343	132,120	277,915	362,894	292,364	15,912	671,170	949,085
<b>Other Expenses</b>										
Audit	-	-	-	-	-	11,300	-	7,300	18,600	18,600
Professional fees	-	7,355	-	28,916	36,271	9,825	-	-	9,825	46,096
Advertising	-	25	-	-	25	12,589	-	-	12,589	12,614
Supplies - office	-	1,108	-	971	2,079	3,097	2,160	129	5,386	7,465
Supplies - campaign	-	-	-	-	-	-	13,685	-	13,685	13,685
Awards	-	67	-	-	67	273	3,274	60	3,607	3,674
Telephone	-	33	-	235	268	69	69	3	141	409
Postage	-	156	-	23	179	1,274	1,446	160	2,880	3,059
Occupancy	-	13,055	-	16,895	29,950	27,344	27,396	1,029	55,769	85,719
Printing	-	99	-	1,371	1,470	5,905	24,696	-	30,601	32,071
Subscriptions	-	-	-	-	-	711	975	-	1,686	1,686
Local transportation	-	165	1,530	788	2,483	1,138	5,691	253	7,082	9,565
Conferences/training	-	1,189	-	2,531	3,720	1,353	1,630	1,277	4,260	7,980
Meetings	-	373	-	90	463	1,712	2,935	-	4,647	5,110
Special events	-	7,456	-	-	7,456	36,821	41,630	-	78,451	85,907
Special community funding	-	41,750	-	18,761	60,511	-	-	-	-	60,511
Membership dues	-	-	-	825	825	2,786	325	-	3,111	3,936
Miscellaneous expense	-	1,250	-	455	1,705	8,578	5	55	8,638	10,343
General insurance	-	314	-	407	721	631	659	25	1,315	2,036
Gifts in kind	-	5,426	-	10,082	15,508	86,341	16,091	-	102,432	117,940
Grant gift in kind expense	-	-	175,683	-	175,683	-	-	-	-	175,683
Various grant expenses	-	-	65,000	-	65,000	-	-	-	-	65,000
VISTA program fee expense	-	22,400	-	-	22,400	-	-	-	-	22,400
Depreciation expense equipment	-	-	-	-	-	7,133	-	-	7,133	7,133
Total other expenses	-	102,221	242,213	82,350	426,784	218,880	142,667	10,291	371,838	798,622
	-	206,673	283,556	214,470	704,699	581,774	435,031	26,203	1,043,008	1,747,707
<b>United Way Worldwide Investment</b>	-	6,564	-	8,492	15,056	13,742	13,772	-	27,514	42,570
	\$ 1,803,601	\$ 213,237	\$ 283,556	\$ 222,962	\$ 2,523,356	\$ 595,516	\$ 448,803	\$ 26,203	\$ 1,070,522	\$ 3,593,878



**United Way of the Central Savannah River Area, Inc.**  
**Statement of Functional Expenses**  
**For the year ended December 31, 2016**

	PROGRAM SERVICES				Total Program Services	SUPPORT SERVICES			Total Support Services	Total
	Community Investment	Community Impact	Grants	2-1-1		Management, General & Marketing	Fund- Raising	CFC		
<b>EXPENSES</b>										
Allocations/awards	\$ 2,144,723	\$ -	\$ -	\$ -	\$ 2,144,723	\$ -	\$ -	\$ -	\$ -	\$ 2,144,723
Less donor designations	(230,258)	-	-	-	(230,258)	-	-	-	-	(230,258)
Net allocations	1,914,465	-	-	-	1,914,465	-	-	-	-	1,914,465
<b>Salaries &amp; Related Expenses</b>										
Salaries	-	71,362	30,351	88,688	190,401	254,300	220,853	51,816	526,969	717,370
Health & life insurance	-	6,529	4,390	21,600	32,519	31,299	31,820	9,230	72,349	104,868
Retirement	-	7,826	2,196	7,505	17,527	26,381	22,456	5,323	54,160	71,687
Payroll taxes	-	5,499	2,634	6,940	15,073	20,088	17,574	4,231	41,893	56,966
Total salaries & related expenses	-	91,216	39,571	124,733	255,520	332,068	292,703	70,600	695,371	950,891
<b>Other Expenses</b>										
Audit	-	-	-	-	-	10,800	-	8,500	19,300	19,300
Professional fees	-	2,154	-	28,141	30,295	5,330	-	4,839	10,169	40,464
Advertising	-	20	-	-	20	14,782	-	-	14,782	14,802
Supplies - office	-	3,997	-	945	4,942	1,737	1,488	464	3,689	8,631
Supplies - campaign	-	-	-	-	-	-	11,950	235	12,185	12,185
Awards	-	36	-	-	36	330	2,689	14,607	17,626	17,662
Telephone	-	20	-	316	336	57	61	18	136	472
Postage	-	239	-	2	241	1,435	2,010	185	3,630	3,871
Occupancy	-	8,626	-	16,020	24,646	24,432	25,575	7,501	57,508	82,154
Printing	-	22,996	-	-	22,996	7,047	23,580	9,727	40,354	63,350
Subscriptions	-	-	-	200	200	344	-	-	344	544
Local transportation	-	442	1,075	974	2,491	1,233	4,739	2,026	7,998	10,489
Conferences/training	-	98	-	1,554	1,652	1,270	2,379	3,865	7,514	9,166
Meetings	-	564	-	15	579	1,160	4,602	-	5,762	6,341
Special events	-	9,588	-	-	9,588	35,725	44,052	-	79,777	89,365
Special community funding	-	34,482	8,513	-	42,995	-	-	-	-	42,995
Membership dues	-	-	-	200	200	3,659	275	-	3,934	4,134
Miscellaneous expense	-	30	-	78	108	7,355	69	65	7,489	7,597
General insurance	-	217	-	402	619	614	642	188	1,444	2,063
Gifts in kind	-	45,047	-	10,082	55,129	54,306	16,091	-	70,397	125,526
Grant gift in kind expense	-	-	291,194	-	291,194	-	-	-	-	291,194
Various grant expenses	-	-	67,427	-	67,427	-	-	-	-	67,427
VISTA program fee expense	-	-	23,424	-	23,424	-	-	-	-	23,424
Depreciation expense equipment	-	-	-	-	-	6,329	-	-	6,329	6,329
Total other expenses	-	128,556	391,633	58,929	579,118	177,945	140,202	52,220	370,367	949,485
	-	219,772	431,204	183,662	834,638	510,013	432,905	122,820	1,065,738	1,900,376
<b>United Way Worldwide Investment</b>	-	4,576	-	8,503	13,079	12,972	13,570	-	26,542	39,621
	\$ 1,914,465	\$ 224,348	\$ 431,204	\$ 192,165	\$ 2,762,182	\$ 522,985	\$ 446,475	\$ 122,820	\$ 1,092,280	\$ 3,854,462

See Notes to the Financial Statements

# United Way of the Central Savannah River Area, Inc.

## *Notes to the Financial Statements*

*December 31, 2017 and 2016*

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### **Note 1. Summary of Activities and Significant Accounting Policies**

#### Activities:

Incorporated in 1951, United Way of the Central Savannah River Area, Inc. ("United Way" or "United Way of the CSRA") conducts the annual United Way fund-raising campaign and distributes the monies to other charitable organizations. United Way also provides planning and other forms of support to numerous charitable organizations in the Central Savannah River Area. United Way of the CSRA unites people and mobilizes community resources to create lasting changes that transform lives. United Way, which is governed by a volunteer Board of Directors, is committed to complying with United Way Worldwide Cost Deduction Standards.

In addition, United Way was the Principal Combined Fund Organization ("PCFO") for the Combined Federal Campaign ("CFC") for the Central Savannah River Area through the Fall 2016 Campaign ended March 31, 2018. In this capacity, United Way served local Federal government offices as a distribution point for Combined Federal Campaign materials. United Way also processed collections and pledges by Federal employees and disbursed designated contributions to appropriate agencies in accordance with donor restrictions. United Way of the CSRA disbursed undesignated pledges from the CFC to all participating agencies in proportion to their pledges. As a federation, United Way of the CSRA honors designations made to each member organization by distributing a proportionate share of receipts based on donor designations to each member. An administrative reimbursement was received by United Way for the costs of administrative services and CFC materials.

#### 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.

#### Fair value measurements:

Financial Accounting Standards Board (FASB)'s *Fair Value Measurements* provides a framework for measuring and disclosing fair value under generally accepted accounting principles. The standard requires disclosures about the fair value of assets and liabilities recognized in the statements of financial position in periods subsequent to initial recognition, whether the measurements are made on a recurring basis or on a nonrecurring basis.

*Fair Value Measurements* defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of

# United Way of the Central Savannah River Area, Inc.

## Notes to the Financial Statements

December 31, 2017 and 2016

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### Note 1. Summary of Activities and Significant Accounting Policies, Continued

#### Fair value measurements, continued:

unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market, as well as U.S. Treasury Securities.

Level 2: Inputs to the valuation methodology include:

Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments, mortgage-backed securities, municipal bonds, corporate debt securities 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. This category generally includes certain derivative contracts and impaired loans.

United Way's certificate of deposit is observable at commonly quoted intervals and is considered a Level 2 asset.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. For example, this category generally includes certain private equity investments, retained residual interests in securitizations, residential mortgage servicing rights, and highly-structured or long-term derivative contracts.

#### Support and expenses:

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. United Way reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose

# United Way of the Central Savannah River Area, Inc.

## *Notes to the Financial Statements*

*December 31, 2017 and 2016*

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### **Note 1. Summary of Activities and Significant Accounting Policies, Continued**

#### Support and expenses, continued:

restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. Donor designated contributions are reported as reductions to United Way's support and program expenses.

United Way reports gifts of goods 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 stipulation about how long those long-lived assets must be maintained, United Way reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

When material, unconditional promises to give receivable greater than one year from the statement of financial position date are stated at their present value using a discount rate commensurate with the uncertainty involved. Favorable variances on United Way's provision for uncollectible pledges are recognized as contributions, whereas unfavorable variances are recognized as bad debts expense. Both are recognized in the year the variance occurs.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

#### Program service accomplishments:

##### Program funding allocations

Using contributions to the Community Investment Fund, United Way of the CSRA distributes funding to 46 health and human service programs at 24 partner agencies. Program allocation requests are made bi-annually and include budget information as well as proposed impact of funds. Quarterly success stories, outcomes logic models, and annual total service reports are required under United Way's partnership agreement. Partner agencies also submit annual IRS Form 990s and audits as per United Way policies.

These funded programs are reviewed annually by groups of community volunteers to ensure appropriate usage of funds. Volunteers complete site visits and in-depth reviews of program accomplishments. Funding is targeted towards programs demonstrating an impact on the community. United Way's funding policies are designed to ensure the greatest accountability for donors' funds and the greatest impact on individuals in our local community.

Funded programs achieve outcomes within the following impact areas:

- 1) *Education*
- 2) *Income*
- 3) *Health*

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## United Way of the Central Savannah River Area, Inc.

### *Notes to the Financial Statements*

*December 31, 2017 and 2016*

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#### **Note 1. Summary of Activities and Significant Accounting Policies, Continued**

##### Program service accomplishments, continued:

##### 2-1-1 Information and referral program

The concept of 2-1-1 – an easy to remember 3-digit dialing code that connects people with professionally-delivered information and referral to health, community and human services – was born in Atlanta in 1997 through the leadership of United Way of Metropolitan Atlanta.

Locally, 2-1-1 has significant impact on the quality of life throughout the community. In 2017, United Way of the CSRA's 2-1-1 information and referral specialists assisted 18,853 callers and 2-1-1's website experienced 25,726 sessions. In addition, 2-1-1 provided support to specific agencies that offered direct service in the area of emergency shelter and emergency rent and utility assistance. Providing a database of wide-ranging volunteer opportunities assists non-profit agencies in every sector of the community in maintaining a supply of dedicated, enthusiastic workers and donors to fulfill the mission of their organization. 2-1-1 is there when people need it, a vital, proven part of the human service infrastructure.

##### Donor designations

United Way offers donor choice options through our annual campaign. Donors may opt to donate to a number of health and human service agencies. Approximately 80 local agencies receive donor designated monies. Organizations receiving donor designated funds undergo a screening process which includes:

- 1) *Completion of an application*
- 2) *Verification of status as an IRS 501(c)3 nonprofit organization*
- 3) *Verification of compliance with the provisions of the Patriot Act*

##### AmeriCorps\*VISTA (Volunteers in Service to America)

United Way's AmeriCorps VISTA program, Project UNITE, is part of the national service program designed specifically for the purpose of fighting poverty. United Way serves as a regional intermediary agency and is assigned up to 10 AmeriCorps VISTA members who serve full-time for one year with area elementary schools for capacity building in the area of parent and community engagement. AmeriCorps VISTAs help build human capacity, financial capacity, and social capacity in host sites and/or schools where they are assigned. United Way of the CSRA receives support funds necessary for regional program supervision and oversight from the Corporation for National Community Service. In 2017, this program served 8 Richmond County Elementary schools, engaged more than 834 volunteers, and leveraged over \$35,957 of cash (grants, donations and fundraising) and non-cash resources (in-kind goods and services) to support community nonprofits, and identified numerous partnerships. 5 VISTA Members moved into employment as a direct result of their VISTA service.

# United Way of the Central Savannah River Area, Inc.

## *Notes to the Financial Statements*

*December 31, 2017 and 2016*

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### **Note 1. Summary of Activities and Significant Accounting Policies, Continued**

#### *Program service accomplishments, continued:*

##### Donated services and goods

A substantial number of volunteers have donated approximately 25,022 hours to United Way's program services and fund-raising campaigns during the year; however, these donated services are not reflected in the financial statements since the services do not meet the requirements to be recorded under Generally Accepted Accounting Principles.

Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of donation.

##### Cash and cash equivalents:

United Way considers all highly liquid investments with a maturity at the time of purchase of three months or less to be cash equivalents.

United Way places its cash and cash equivalents with high quality financial institutions. At times, such balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limits. Management believes United Way is not exposed to any significant credit risk on United Way's cash and cash equivalents.

##### Certificate of deposit:

At December 31, 2016, United Way held an \$80,000 certificate of deposit which matured in December 2017. This certificate of deposit was renewed in December 2017 and the new \$80,002 certificate of deposit, held at December 31, 2017, will mature in December 2020.

##### Provision for uncollectible pledges:

A provision for uncollectible pledges is computed based upon a historical average adjusted for management estimates of current economic factors, and applied to the gross campaign results, including donor designations (excluding CFC designations to non-United Way agencies).

##### Property and equipment:

Property and equipment with a useful life of greater than one year and with a cost of \$1,000 or more is considered a capital asset. Property and equipment is recorded at cost (or fair value for donated assets) and is being depreciated using the straight-line method over an estimated useful life of 3-7 years.

##### Deferred revenue:

Deferred revenue consists of grant amounts and donor designations outside of the United Way annual campaigns received but not yet expended for the grant or designated purposes.

# United Way of the Central Savannah River Area, Inc.

## Notes to the Financial Statements

December 31, 2017 and 2016

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### Note 1. Summary of Activities and Significant Accounting Policies, Continued

#### Advertising costs:

Advertising costs, including amounts within in-kind separately stated on the statements of financial expenses, are expensed as incurred and totaled \$83,574 and \$53,727 for the years ended December 31, 2017 and 2016, respectively.

#### Functional allocation of expenses:

The costs of providing the various programs, fund-raising and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and fund-raising activities benefited.

#### Income taxes:

United Way is a not-for-profit organization that is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, United Way has been classified as an organization that is not a private foundation under Section 509(a)(2). United Way is not aware of any uncertain tax positions as of December 31, 2017.

#### Recently issued accounting pronouncements:

On August 18, 2016, the FASB published Accounting Standards Update (ASU) No. 2016-14, Not for Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities. The standard changes how not-for-profit organizations classify their net assets, with groups required to categorize assets as either those with donor restrictions or without. The standard also requires new information about an organization's liquidity and an analysis of expenses by nature and function. The update, which aims to help charities, universities, foundations, and other not-for-profit groups better convey how they spend and manage their resources, goes into effect for fiscal years beginning after December 15, 2017. United Way is currently evaluating the impact of this new guidance on its financial statement presentation.

In February 2016, the FASB amended the Leases topic of the Accounting Standards Codification ("ASC") to require all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance leases or operating leases. This distinction will be relevant for the pattern of expense recognition in the income statement. The amendments will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. United Way is currently in the process of evaluating the impact of adoption of this guidance on the financial statements.

In February 2016, the FASB amended the Leases topic of the Accounting Standards Codification to revise certain aspects of recognition, measurement, presentation, and disclosure of leasing transactions. The amendments will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted.

# United Way of the Central Savannah River Area, Inc.

## Notes to the Financial Statements

December 31, 2017 and 2016

### Note 1. Summary of Activities and Significant Accounting Policies, Continued

#### Recently issued accounting pronouncements, continued:

In May 2014, the FASB issued guidance to change the recognition of revenue from contracts with customers. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. In August 2015, the FASB deferred the effective date of ASU 2014-09, *Revenue from Contracts with Customers*. As a result of the deferral, the guidance in ASU 2014-09 will be effective for United Way for reporting periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019. United Way is still evaluating the effect of the application of these amendments on its financial statements.

In May 2016, the FASB amended the *Revenue from Contracts with Customers* topic of the Accounting Standards Codification to clarify guidance related to collectability, noncash consideration, presentation of sales tax, and transition. The amendments will be effective for United Way for annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019. United Way is still evaluating the effect of the application of these amendments on its financial statements.

In August 2016, the FASB amended the Statement of Cash Flows topic of the Accounting Standards Codification to clarify how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments will be effective for United Way for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. United Way is still evaluating the effect of the application of these amendments on its financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on United Way's financial position, results of activities or cash flows.

#### Subsequent events:

The financial statements have not been updated for subsequent events occurring after April 26, 2018, which is the date these financial statements were available to be issued.

### Note 2. Pledges Receivable

Pledges receivable consist of the following at December 31:

	<u>2017</u>	<u>2016</u>
2015 Campaign	\$ 10,000	\$ 592,616
2016 Campaign	464,964	816,890
2017 Campaign	1,024,217	-
	<u>1,499,181</u>	<u>1,409,506</u>
Less provision for uncollectible pledges	<u>(422,185)</u>	<u>(474,285)</u>
	<u>\$ 1,076,996</u>	<u>\$ 935,221</u>



## United Way of the Central Savannah River Area, Inc.

### Notes to the Financial Statements

December 31, 2017 and 2016

#### Note 2. Pledges Receivable, Continued

The provision for uncollectible pledges consist of the following at December 31:

	<u>2017</u>	<u>2016</u>
2015 Campaign	\$ -	\$ 273,600
2016 Campaign	212,685	200,685
2017 Campaign	209,500	-
	<u>\$ 422,185</u>	<u>\$ 474,285</u>

#### Note 3. Property and Equipment

Property and equipment consists of the following at December 31:

	<u>2017</u>	<u>2016</u>
Equipment	\$ 93,171	\$ 85,612
Less accumulated depreciation	(82,473)	(75,340)
Property and equipment in operations at year end	10,698	10,272
Property and equipment held for sale at year end	-	50,301
	<u>\$ 10,698</u>	<u>\$ 60,573</u>

Depreciation expense totaled \$7,133 and \$6,329 for the years ended December 31, 2017 and 2016, respectively.

During 2011 United Way placed land, building, and certain equipment on the market with the intent to sell. Due to this, United Way stopped depreciating the assets when the building was listed for sale in September 2011. These held for sale assets totaled \$50,301. During 2017, all of the assets held for sale were sold for \$150,000.

#### Note 4. Restrictions on Net Assets

Temporary restrictions on net assets are primarily related to pledges receivable for the current Campaign less related designations payable and the provision for uncollectible pledges, plus restricted USO contributions. Temporarily restricted net assets are available for years subsequent to the current year.

#### Note 5. Employee Retirement Plan

United Way sponsors a defined contribution retirement plan covering all employees who meet certain eligibility criteria related to age and years of service. Employer contributions to the plan are ten percent of an eligible employee's compensation. Employer contributions for the years ended December 31, 2017 and 2016 were \$63,508 and \$71,687, respectively.

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**United Way of the Central Savannah River Area, Inc.*****Notes to the Financial Statements******December 31, 2017 and 2016***

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**Note 6. Leases**

In 2011, United Way entered into an operating lease agreement for office space in Augusta, Georgia. The terms of the lease required a security deposit of \$2,342, equal to one month's rental payment. The lease agreement requires monthly lease payments of \$2,342, and was renewed and amended on December 31, 2013. The amendment extends the lease for nine years at the same rental rate and required a \$150,000 one-time payment on December 31, 2013. This amount is included in prepaids and amortized over the life of the lease. The balance at December 31, 2017 and 2016 was \$83,333 and \$100,000, respectively.

Future minimum lease commitments under the operating lease for the office space total \$140,520, composed of \$28,104 in rental expense for each of the next five years.

Total rent expense under operating leases and other short-term rental arrangements was \$51,688 and \$51,336 in 2017 and 2016, respectively.