

FINANCIAL STATEMENTS

UNITED WAY OF NORTHWEST GEORGIA, INC.

DALTON, GEORGIA

DECEMBER 31, 2015 AND 2014

UNITED WAY OF NORTHWEST GEORGIA, INC.
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DECEMBER 31, 2015 AND 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
United Way of Northwest Georgia, Inc.

We have audited the accompanying financial statements of United Way of Northwest Georgia, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2015 and 2014, 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.

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Northwest Georgia, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of select program expenses on pages 17 and 18 are presented for purposes of additional analysis and are 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.

Estes & Walcott

Dalton, Georgia
July 20, 2016

UNITED WAY OF NORTHWEST GEORGIA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Current assets:		
Cash	\$ 1,701,993	\$ 2,493,072
Other receivables	2,000	-
Pledges receivable, net	3,214,043	2,812,423
Prepaid expenses	<u>10,797</u>	<u>3,445</u>
Total current assets	<u>4,928,833</u>	<u>5,308,940</u>
Property and equipment, net	<u>519,061</u>	<u>535,624</u>
Other assets:		
Beneficial interest in assets held by others	<u>1,558,302</u>	<u>-</u>
Total assets	<u>\$ 7,006,196</u>	<u>\$ 5,844,564</u>
 <u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	\$ 2,731	\$ 11,454
Accrued expenses	-	3,941
Designations payable	138,373	46,141
Current portion of note payable	<u>40,668</u>	<u>39,280</u>
Total current liabilities	<u>181,772</u>	<u>100,816</u>
Noncurrent liabilities:		
Note payable	<u>255,729</u>	<u>296,400</u>
Total liabilities	<u>437,501</u>	<u>397,216</u>
 <u>NET ASSETS</u>		
Permanently restricted	500,000	-
Temporarily restricted	3,459,508	3,032,623
Unrestricted:		
Designated	2,471,969	2,382,951
Undesignated	<u>137,218</u>	<u>31,774</u>
Total net assets	<u>6,568,695</u>	<u>5,447,348</u>
Total liabilities and net assets	<u>\$ 7,006,196</u>	<u>\$ 5,844,564</u>

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

UNITED WAY OF NORTHWEST GEORGIA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2015</u>
Public support and revenue:				
Gross campaign results (prior year)	\$ 737,270			
(Less donor designations)	(945)			
(Less provision for uncollectible)	<u>(268,002)</u>			
Net campaign results (prior year)	468,323			\$ 468,323
Gross campaign results (current year)		\$ 3,802,284		
(Less donor designations)		(113,930)		
(Less provision for uncollectible)		<u>(228,846)</u>		
Net campaign results (current year)		3,459,508		3,459,508
Special events	74,124	-	\$ -	74,124
Other contributions	28,109	-	500,000	528,109
Service fees	503	-	-	503
Investment income	8,405	-	-	8,405
Change in fair value of beneficial interest	(9,380)	-	-	(9,380)
Miscellaneous	5,631	-	-	5,631
Net assets released from restrictions	<u>3,032,623</u>	<u>(3,032,623)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>3,608,338</u>	<u>426,885</u>	<u>500,000</u>	<u>4,535,223</u>
Expenses:				
Program services:				
Allocations and grants	2,466,911	-	-	2,466,911
Special projects	30,771	-	-	30,771
Payments to affiliated organizations	34,238	-	-	34,238
Community awareness	195,805	-	-	195,805
Information services	66,719	-	-	66,719
Community solutions	84,037	-	-	84,037
Volunteer services	<u>150,806</u>	<u>-</u>	<u>-</u>	<u>150,806</u>
Total program services	3,029,287	-	-	3,029,287
Management and administrative	138,514	-	-	138,514
Fundraising	<u>246,075</u>	<u>-</u>	<u>-</u>	<u>246,075</u>
Total expenses and losses	<u>3,413,876</u>	<u>-</u>	<u>-</u>	<u>3,413,876</u>
Increase (decrease) in net assets	194,462	426,885	500,000	1,121,347
Net assets, beginning	<u>2,414,725</u>	<u>3,032,623</u>	<u>-</u>	<u>5,447,348</u>
Net assets, ending	<u>\$ 2,609,187</u>	<u>\$ 3,459,508</u>	<u>\$ 500,000</u>	<u>\$ 6,568,695</u>

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

UNITED WAY OF NORTHWEST GEORGIA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2014</u>
Public support and revenue:			
Gross campaign results (prior year)	\$ 847,920		
(Less donor designations)	(4,148)		
(Less provision for uncollectible)	<u>(202,000)</u>		
Net campaign results (prior year)	641,772		\$ 641,772
Gross campaign results (current year)		\$ 3,380,876	
(Less donor designations)		(43,969)	
(Less provision for uncollectible)		<u>(304,284)</u>	
Net campaign results (current year)		3,032,623	3,032,623
Special events	83,025	-	83,025
Other contributions	15,400	-	15,400
Service fees	1,485	-	1,485
Investment income	19,589	-	19,589
Miscellaneous	1,010	-	1,010
Net assets released from restrictions	<u>2,683,289</u>	<u>(2,683,289)</u>	<u>-</u>
Total revenue	<u>3,445,570</u>	<u>349,334</u>	<u>3,794,904</u>
Expenses:			
Program services:			
Allocations and grants	2,672,211	-	2,672,211
Special projects	31,117	-	31,117
Payments to affiliated organizations	34,785	-	34,785
Community awareness	140,532	-	140,532
Information services	70,339	-	70,339
Community solutions	89,091	-	89,091
Volunteer services	<u>151,234</u>	<u>-</u>	<u>151,234</u>
Total program services	3,189,309	-	3,189,309
Management and administrative	117,289	-	117,289
Fundraising	<u>200,788</u>	<u>-</u>	<u>200,788</u>
Total expenses and losses	<u>3,507,386</u>	<u>-</u>	<u>3,507,386</u>
Increase (decrease) in net assets	(61,816)	349,334	287,518
Net assets, beginning	<u>2,476,541</u>	<u>2,683,289</u>	<u>5,159,830</u>
Net assets, ending	<u>\$ 2,414,725</u>	<u>\$ 3,032,623</u>	<u>\$ 5,447,348</u>

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

UNITED WAY OF NORTHWEST GEORGIA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Program Services	Management and Administrative	Fundraising	Total
Salaries and wages	\$ 278,684	\$ 90,361	\$ 149,449	\$ 518,494
Payroll taxes	21,315	6,615	8,820	36,750
Employee benefits	52,183	16,195	21,593	89,971
Professional fees	7,424	2,304	3,072	12,800
Supplies	13,427	1,652	5,188	20,267
Telephone	1,941	321	428	2,690
Postage	8,947	961	1,527	11,435
Occupancy	9,560	2,967	3,956	16,483
Equipment repairs and maintenance	14,167	2,209	6,287	22,663
Printing and publications	22,442	941	17,266	40,649
Specific assistance to individuals	971	-	-	971
Travel	4,886	399	5,075	10,360
Meeting expense	25,065	3,989	8,479	37,533
Professional development	1,051	156	2,174	3,381
Dues and subscriptions	3,738	746	1,074	5,558
Awards	2,866	4	95	2,965
Insurance	5,712	1,560	2,079	9,351
Investment and bank fees	5,140	1,595	2,127	8,862
Interest	6,539	2,029	2,706	11,274
Depreciation	11,309	3,510	4,680	19,499
Allocations and grants	2,466,911	-	-	2,466,911
Special projects	30,771	-	-	30,771
Payments to affiliated organizations	34,238	-	-	34,238
	<u>\$ 3,029,287</u>	<u>\$ 138,514</u>	<u>\$ 246,075</u>	<u>\$ 3,413,876</u>

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

UNITED WAY OF NORTHWEST GEORGIA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Services	Management and Administrative	Fundraising	Total
Salaries and wages	\$ 262,901	\$ 80,592	\$ 133,976	\$ 477,469
Payroll taxes	20,137	6,006	9,185	35,328
Employee benefits	37,075	11,057	16,911	65,043
Insurance	6,596	1,967	3,009	11,572
Professional fees	7,296	2,176	3,328	12,800
Supplies	4,706	713	2,233	7,652
Telephone	1,625	675	464	2,764
Postage	4,102	886	2,681	7,669
Printing and publications	27,275	118	8,155	35,548
Occupancy	23,917	5,043	7,742	36,702
Specific assistance to individuals	5,425	-	-	5,425
Travel	1,850	-	1,222	3,072
Professional development	4,767	426	651	5,844
Volunteer development	269	-	-	269
Meeting expense	16,258	133	556	16,947
Dues and subscriptions	2,302	918	605	3,825
Awards	2,619	-	-	2,619
Miscellaneous	4,249	1,262	1,938	7,449
Interest	7,214	2,152	3,291	12,657
Depreciation	10,613	3,165	4,841	18,619
Allocations and grants	2,672,211	-	-	2,672,211
Special projects	31,117	-	-	31,117
Payments to affiliated organizations	34,785	-	-	34,785
	<u>\$ 3,189,309</u>	<u>\$ 117,289</u>	<u>\$ 200,788</u>	<u>\$ 3,507,386</u>

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

UNITED WAY OF NORTHWEST GEORGIA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Increase in net assets	\$ 1,121,347	\$ 287,518
Non-cash items included in net income:		
Depreciation	19,499	18,619
Non-cash contributions	-	(21,028)
Realized losses on the sale of donated securities	-	193
Change in fair value of beneficial interest in assets held by others	9,380	-
Contributions from donors to beneficial interest	(500,000)	-
(Increase) decrease in other receivables	(2,000)	2,000
(Increase) decrease in pledges receivable	(401,620)	(247,184)
(Increase) decrease in prepaid expenses	(7,352)	(3,445.00)
Increase (decrease) in accounts payable	(8,723)	(4,695)
Increase (decrease) in accrued expenses	(3,941)	2,882
Increase (decrease) in designations payable	92,232	28,559
Proceeds from the sale of donated securities	-	20,835
Net cash provided (used) by operating activities	<u>318,822</u>	<u>84,254</u>
Cash flows from investing activities:		
Purchase of property and equipment	(2,936)	(8,698)
Transfers of cash to beneficial interest in assets held by others	<u>(1,067,682)</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>(1,070,618)</u>	<u>(8,698)</u>
Cash flows from financing activities:		
Principal payments made on mortgage	<u>(39,283)</u>	<u>(37,897)</u>
Net cash provided (used) by financing activities	<u>(39,283)</u>	<u>(37,897)</u>
Increase (decrease) in cash	(791,079)	37,659
Cash at beginning of year	<u>2,493,072</u>	<u>2,455,413</u>
Cash at end of year	<u>\$ 1,701,993</u>	<u>\$ 2,493,072</u>
Supplemental disclosures:		
Cash paid during the year for interest	<u>\$ 11,274</u>	<u>\$ 12,657</u>

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

UNITED WAY OF NORTHWEST GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 1. Nature of activities and significant accounting policies-

Organization and nature of activities-

The United Way of Northwest Georgia, Inc. (the Organization) is a nonprofit entity which functions independently of any other organization. The mission of the Organization is to unite people and resources to improve lives in Northwest Georgia and build stronger communities through giving, advocacy and volunteerism. Its vision is to be the preferred organization investing in education, basic needs and health in the community. The Organization is supported primarily through pledges. Pledges from one contributor and its employees comprise a significant portion of the Organization's support.

Basis of accounting-

The financial statements have been prepared on an accrual basis of accounting and in accordance with generally accepted accounting principles.

Financial statement presentation-

In accordance with generally accepted accounting practices the Organization is required to report 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.

Permanently restricted net assets represent resources from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Temporarily restricted net assets represent resources currently available for use or receivable from the donor, but expendable only in subsequent periods.

All other net assets, including board-designated or appropriated amounts, are legally unrestricted.

Cash and cash equivalents-

Cash and cash equivalents include amounts in demand deposits, certificates of deposit, and short-term investments with a maturity date within three months of the date acquired by the Organization. Cash and investments are stated at fair value.

Concentrations of credit risk-

The Organization maintains its cash accounts with high credit quality financial institutions. At times such accounts may be in excess of FDIC insurance limits.

UNITED WAY OF NORTHWEST GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 1. Nature of activities and significant accounting policies (continued)-

Property and equipment-

Purchased property and equipment are recorded at cost. Additions and improvements greater than \$500 are capitalized and maintenance and repairs are charged to expense as incurred. Property and equipment acquired by donation is stated at fair market value at the time of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The cost and accumulated depreciation of property disposed of or otherwise retired is removed from the accounts and any gains or losses thereon are included in earnings. The Organization uses principally the straight-line method of computing depreciation over the estimated useful lives of the assets. Estimated useful lives range from 3 years for computers to 40 years for buildings.

Income taxes-

The Organization is currently operating as a tax-exempt organization under IRC Section 501(c)(3) and is exempt from federal and state income taxes.

In January 2009, the Organization adopted newly issued accounting rules that prescribe when to recognize and how to measure the financial statement effects of income tax positions taken or expected to be taken on its income tax returns. These rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained. Based on that evaluation, the Organization only recognizes the maximum benefit of each income tax position that is more than 50% likely of being sustained. To the extent that all or a portion of the benefits of an income tax position are not recognized, a liability would be recognized for the unrecognized benefits, along with any interest and penalties that would result from disallowance of the position. Should any such penalties and interest be incurred, they would be recognized as operating expenses.

Based on the results of management's evaluation, adoption of the new rules did not have a material effect on the accompanying financial statements. Consequently, no liability is recognized in the accompanying balance sheet for unrecognized income tax positions. Further, no interest or penalties have been accrued or charged to expense as of December 31, 2015 or for the year then ended. The federal and state income tax returns of the Organization for 2014, 2013 and 2012 are subject to examination by taxing authorities, generally for three years after their due date.

UNITED WAY OF NORTHWEST GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 1. Nature of activities and significant accounting policies (continued)-

Contributions-

In accordance with generally accepted accounting principles, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted contributions whose restrictions are met in the same reporting period are classified as unrestricted contributions in the statements of activities.

An annual campaign is conducted in the fall of the year to raise support for payment of allocations to participating agencies in the subsequent year. Pledges are considered unconditional promises to give. All 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 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.

The restriction on the pledges received during the year is a time restriction and the pledges are recorded as temporarily restricted when received.

Contributed services and supplies-

The Organization receives contributed services from unpaid volunteers who assist many various projects. No amounts have been recognized in the statements of activities because criteria for recognition have not been satisfied. The Organization receives contributed supplies from unpaid vendors who provide items for fundraising projects. Any amounts recorded for contributed supplies are offset by like amounts included in expenses.

Accounting estimates-

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

Subsequent events-

Management has evaluated subsequent events through July 20, 2016, the date the financial statements were available to be issued.

UNITED WAY OF NORTHWEST GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 2. Pledges receivable-

Pledges receivable as of December 31, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Prior campaign year receivables	\$ 410,670	\$ 403,225
Allowance - prior campaign year	(268,002)	(202,000)
Current campaign year receivables	3,300,221	2,915,482
Allowance - current year campaign	<u>(228,846)</u>	<u>(304,284)</u>
	<u>\$ 3,214,043</u>	<u>\$ 2,812,423</u>
 Amounts due in less than one year	 <u>\$ 3,214,043</u>	

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

Note 3. Property and equipment-

Property and equipment as of December 31, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Buildings and improvements	\$ 561,700	\$ 560,770
Land	59,000	59,000
Equipment	<u>176,611</u>	<u>174,605</u>
	797,311	794,375
Accumulated depreciation	<u>(278,250)</u>	<u>(258,751)</u>
	<u>\$ 519,061</u>	<u>\$ 535,624</u>

Depreciation expense for the years ending December 31, 2015 and 2014 totaled \$19,499 and \$18,619, respectively.

UNITED WAY OF NORTHWEST GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4. Beneficial interest in assets held by others-

During 2015, the Organization transferred \$1,067,682 to the Community Foundation of Northwest Georgia, Inc. (the Community Foundation) to establish the United Way of Northwest Georgia Endowment Fund for the benefit of the Organization. In addition, \$500,000 of permanently restricted contributions were added to the fund.

All contributions to the United Way of Northwest Georgia Endowment Fund are subject to the terms of the fund agreement. The funds are the property of the Community Foundation. The Community Foundation has the ultimate authority and control of all property of the funds, and the income derived from them, for the charitable purposes of the Community Foundation. However, the Organization has significant advisory input as to the direction of the funds. Both principal and income from the fund may be distributed to the Organization each year, with the exception of the permanently restricted funds. The Organization may elect to suspend distributions to allow maximum growth of the fund.

The beneficial interest in assets held by others consists of the following:

	<u>2015</u>
Beginning beneficial interest in assets held by others	\$ -
Contributions	500,000
Transfers from organization	1,067,682
Investment return, net of fees	<u>(9,380)</u>
Ending beneficial interest in assets held by others	<u>\$ 1,558,302</u>

Investment fees totaled \$392 and \$0 for the years ended December 31, 2015 and 2014, respectively.

Note 5. Endowment funds-

Interpretation of relevant law-

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowments funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowments, (b) the original value of subsequent gifts to the permanent endowments, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowments fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

UNITED WAY OF NORTHWEST GEORGIA, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 5. Endowment funds (continued)-

In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization

Endowment net asset composition by type of fund as of December 31, 2015:

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 1,058,302	\$ -	\$ 500,000	\$ 1,558,302

Changes in endowment net assets for the year ended December 31, 2015:

	Unrestricted	Permanently Restricted	Total
Beginning endowment net assets	\$ -	\$ -	\$ -
Investment return-			
Investment income, net			
of investment fees	6,269	-	6,269
Unrealized loss	(15,649)	-	(15,649)
Total investment return	(9,380)	-	(9,380)
Other activity-			
Contributions	-	500,000	500,000
Transfers in	1,067,682	-	1,067,682
Total other activities	1,067,682	500,000	1,567,682
Ending endowment net assets	\$ 1,058,302	\$ 500,000	\$ 1,558,302

UNITED WAY OF NORTHWEST GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 5. Endowment funds (continued)-

Return objectives and risk parameters

The Organization has adopted the investment and spending policies of the Community Foundation for endowment assets. These policies attempt to grow the market value of endowment assets net of inflation, spending, and expenses, over a full market cycle (generally defines as a three to five year period) without undue exposure to risk. To satisfy its long-term rate of return objectives, the Community Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Community Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints

Note 6. Fair value measurements-

Fair value of assets measured on a recurring basis as of December 31, 2015, is as follows:

	Fair Value Measurements Using			
	Total	(Level 1)	(Level 2)	(Level 3)
Beneficial interest in assets held by others	\$ 1,558,302	\$ -	\$ -	\$ 1,558,302

The beneficial interest in assets held by other is held by the Community Foundation and the investment methodology is not under the Organization's control. Therefore the fair value of the beneficial interest in assets held by others is equal to the value reported by the Community Foundation. A schedule of the beneficial interest in assets held by others which makes up the Organization's Level 3 fair value measurements is in Note 4.

Note 7. Note payable-

Note payable as of December 31, 2015 and 2014 consisted of the following:

	2015	2014
Installment note to a bank, payable in monthly installments of \$4,213 including interest at 3.5% through June 2022 with the remaining principal due in July 2022. Secured by a building.	\$ 296,397	\$ 335,680
Less: current portion	(40,668)	(39,280)
Long-term portion of note payable	\$ 255,729	\$ 296,400

UNITED WAY OF NORTHWEST GEORGIA, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 7. Note payable (continued)-

The aggregate annual maturities of the note payable are as follows:

2016	\$	40,668
2017		42,163
2018		43,684
2019		45,260
2020		46,881
Thereafter		77,741

Note 8. Net assets-

The Organization's net assets are classified as permanently restricted, temporarily restricted and unrestricted.

Permanently restricted net assets consists of principal contributions made by donors to endowment funds held at the Community Foundation. The cumulative amount of principal contributions and related permanently restricted net assets totaled \$500,000 and \$0 at December 31, 2015 and 2014, respectively.

Temporarily restricted net assets are accumulated unconditional promises to give for subsequent years. An annual campaign is conducted in the fall of each year to raise support for participating agencies in the subsequent year. Campaign contributions and pledges received or receivable are accounted for as temporarily restricted until the beginning of the next fiscal year. Temporarily restricted net assets are reclassified to unrestricted net assets upon expiration of the time restriction. The Organization reported temporarily restricted net assets totaling \$3,459,508 and \$3,032,623 at December 31, 2015 and 2014, respectively.

Unrestricted net assets are those assets currently available to be used by the Organization at the discretion of the Board of Directors. They are classified as either designated or undesignated. The Board of Directors intends to maintain four and a half months allocations and operating expenses as a reserve fund. During 2014, the Board designated additional reserves of \$1,067,681 in order to provide for sustainability which were transferred to the Community Foundation in 2015. Board designated net assets at December 31, 2015 and 2014 totaled \$2,471,969 and \$2,382,951, respectively. The remaining unrestricted, undesignated net assets total \$137,218 and \$31,774 at December 31, 2015 and 2014, respectively.

Note 9. Employee benefit plan

The Organization maintains a 403(b) tax-sheltered annuity plan that covers full-time employees who have completed one year of service and who are 21 years of age or older. The Organization contributes 7% of compensation for all eligible employees. Total employer contributions for the years ending December 31, 2015 and 2014 totaled \$24,002 and \$25,815, respectively.

SUPPLEMENTAL SCHEDULES

UNITED WAY OF NORTHWEST GEORGIA, INC.
SCHEDULE OF SELECT PROGRAM EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Community Awareness	Information Services	Community Solutions	Volunteer Services
Salaries and wages	\$ 95,080	\$ 47,496	\$ 49,111	\$ 86,997
Payroll taxes	7,901	2,389	3,675	7,350
Employee benefits	19,344	5,848	8,997	17,994
Professional fees	2,752	832	1,280	2,560
Supplies	7,135	624	1,713	3,955
Telephone	383	1,024	178	356
Postage	6,992	92	1,572	291
Occupancy	3,544	1,071	1,648	3,297
Equipment repairs and maintenance	5,759	1,948	945	5,515
Printing and publications	18,602	339	2,092	1,409
Specific assistance to individuals	-	-	971	-
Travel	1,456	137	928	2,365
Meeting expense	12,222	1,480	4,810	6,553
Professional development	586	56	86	323
Dues and subscriptions	805	243	1,199	1,491
Awards	2,859	1	2	4
Insurance	1,863	563	867	2,419
Investment and bank fees	1,906	576	886	1,772
Interest	2,424	733	1,127	2,255
Depreciation	4,192	1,267	1,950	3,900
	<u>\$ 195,805</u>	<u>\$ 66,719</u>	<u>\$ 84,037</u>	<u>\$ 150,806</u>

UNITED WAY OF NORTHWEST GEORGIA, INC.
SCHEDULE OF SELECT PROGRAM EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Community Awareness	Information Services	Community Solutions	Volunteer Services
Salaries and wages	\$ 64,107	\$ 45,277	\$ 54,567	\$ 98,950
Payroll taxes	4,946	3,886	3,886	7,419
Employee benefits	9,106	7,155	7,155	13,659
Insurance	1,620	1,273	1,273	2,430
Professional fees	1,792	1,408	1,408	2,688
Supplies	2,249	430	621	1,406
Telephone	250	592	281	502
Postage	2,424	41	889	748
Printing and publications	25,175	77	1,402	621
Occupancy	6,165	5,262	3,262	9,228
Specific assistance to individuals	-	-	5,425	-
Travel	-	-	883	967
Professional development	1,170	276	376	2,945
Volunteer development	248	-	12	9
Meeting expense	13,292	146	1,804	1,016
Dues and subscriptions	326	256	1,231	489
Awards	2,240	-	356	23
Miscellaneous	1,043	820	820	1,566
Interest	1,772	1,392	1,392	2,658
Depreciation	2,607	2,048	2,048	3,910
	<u>\$ 140,532</u>	<u>\$ 70,339</u>	<u>\$ 89,091</u>	<u>\$ 151,234</u>