UNITED WAY OF NORTHERN UTAH

Financial Statements
And
Independent Auditors' Report

December 31, 2016

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Hansen, Bradshaw, Malmrose & Erickson
CERTIFIED PUBLIC ACCOUNTANTS

UNITED WAY OF NORTHERN UTAH

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INDEPENDENT AUDITORS' REPORT

To the Executive Committee of the Board of Directors
United Way of Northern Utah
Ogden, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Northern Utah (a non-profit organization) (the United Way), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year 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 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the United Way'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 United Way'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 the United Way of Northern Utah as of December 31, 2016, 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.

Hansen, Bradshaw, Malmrose & Erickson, P.C

October 19, 2017

UNITED WAY OF NORTHERN UTAH
Statement of Financial Position
December 31, 2016

ASSETS	
Current assets:	
Cash and cash equivalents (notes 1, 2)	$ 531,482
Cash and cash equivalents, restricted (notes 1, 2)	1,356,988
Cash, CFC (notes 1, 9)	40,014
Operating investments (notes 1, 2)	2,383,409
Pledges receivable - annual campaign, net (note 1)	846,428
Pledges receivable - previous years annual campaign, net (note 1)	113,203
Government contracts and other receivables	160,838
Account receivable - managing Utah CFC (note 9)	260,781
Prepaid expenses	9,409
Total current assets	5,702,552
Pledges receivable - annual campaign, net (note 1)	122,273
Property and equipment, net (note 3)	1,500,172
Total assets	$ 7,324,997
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable	$ 63,148
Accounts payable, CFC (notes 1, 9)	40,014
Payroll and other accrued liabilities	63,393
Amounts donor-designated for other campaigns (note 9)	729,764
Deferred revenue	3,225
Note payable, current portion (note 4)	23,881
Total current liabilities	923,425
Note payable (note 4)	544,103
Total liabilities	1,467,528
Net assets:	
Unrestricted (note 6)	2,337,568
Temporarily restricted (note 6)	3,519,901
Total net assets	5,857,469
Total liabilities and net assets	$ 7,324,997

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

UNITED WAY OF NORTHERN UTAH
Statement of Activities
For the Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND OTHER REVENUE			
Public support:			
Annual campaign contributions	$ 719,135	$ 416,829	$ 1,135,964
Contributions from CFC annual campaigns (note 1)	-	1,912,607	1,912,607
Less: Donor-designated gifts to other campaigns (no	-	(1,912,607)	(1,912,607)
Allowance for uncollectible pledges on prior year campaign	(71,357)	-	(71,357)
Net campaign contributions	647,778	416,829	1,064,607
Grants	476,302	439,359	915,661
CFC service fee	260,781	-	260,781
Total public support	1,384,861	856,188	2,241,049
Other revenue:			
Rent revenue (note 5)	154,683	-	154,683
Special events	11,012	-	11,012
Investment return (note 2)	153,075	74,831	227,906
In-kind contributions (note 7)	18,815	-	18,815
Net assets released from restrictions	1,833,997	(1,833,997)	-
Total other revenue	2,171,582	(1,759,166)	412,416
Total public support and other revenues	3,556,443	(902,978)	2,653,465
EXPENSES			
Program services:			
Community investments in program services	1,635,627	-	1,635,627
Other program services	1,983,992	-	1,983,992
Total program services	3,619,619	-	3,619,619
Supporting services:			
General and administrative	109,683	-	109,683
Marketing and development	72,517	-	72,517
Total supporting services	182,200	-	182,200
Total expenses	3,801,819	-	3,801,819
Changes in net assets	(245,376)	(902,978)	(1,148,354)
Net assets, beginning of year (as previously reported)	2,582,944	1,914,575	4,497,519
Prior period adjustment (note 10)	-	2,508,304	2,508,304
Net assets, beginning of year (as restated)	2,582,944	4,422,879	7,005,823
Net assets, end of year	$ 2,337,568	$ 3,519,901	$ 5,857,469

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

UNITED WAY OF NORTHERN UTAH
Statement of Functional Expenses
For the Year Ended December 31, 2016

	Program Services			Supporting Services			
	Allocation to Agencies	All Other Programs	**Total**	General and Administrative	Marketing and Development	**Total**	**Grand Total**
COMMUNITY INVESTMENTS							
Grants for program services	$ 1,635,627	$ -	**$ 1,635,627**	$ -	$ -	**$ -**	**$ 1,635,627**
WAGES AND RELATED							
Salaries	-	612,568	**612,568**	12,274	42,591	**54,865**	**667,433**
Health and retirement benefits	-	108,938	**108,938**	4,830	3,865	**8,695**	**117,633**
Payroll taxes	-	48,377	**48,377**	969	3,364	**4,333**	**52,710**
Total wages and related	-	769,883	**769,883**	18,073	49,820	**67,893**	**837,776**
OTHER EXPENSES							
Awards and other	-	401,510	**401,510**	420	-	**420**	**401,930**
Programs and outreach	-	240,676	**240,676**	-	-	**-**	**240,676**
Professional fees	-	93,464	**93,464**	72,413	470	**72,883**	**166,347**
Building	-	97,093	**97,093**	1,209	4,722	**5,931**	**103,024**
Advertising and promotion	-	65,439	**65,439**	-	4,603	**4,603**	**70,042**
Occupancy	-	48,759	**48,759**	607	2,371	**2,978**	**51,737**
Travel and meals	-	44,368	**44,368**	1,148	2,803	**3,951**	**48,319**
Office supplies	-	33,793	**33,793**	2,258	100	**2,358**	**36,151**
Equipment repairs and maintenance	-	25,297	**25,297**	315	1,230	**1,545**	**26,842**
Interest and other financial	-	22,069	**22,069**	275	1,073	**1,348**	**23,417**
Bank fees	-	21,529	**21,529**	485	580	**1,065**	**22,594**
Telephone	-	19,542	**19,542**	243	950	**1,193**	**20,735**
United Way of America dues paid	-	-	**-**	11,391	-	**11,391**	**11,391**
Service club dues	-	7,751	**7,751**	-	-	**-**	**7,751**
Postage	-	6,540	**6,540**	-	4	**4**	**6,544**
Insurance	-	4,117	**4,117**	51	201	**252**	**4,369**
Total other expenses	-	1,131,947	**1,131,947**	90,815	19,107	**109,922**	**1,241,869**
NON-CASH EXPENSES							
Depreciation	-	63,833	**63,833**	795	3,104	**3,899**	**67,732**
In-kind donations	-	18,329	**18,329**	-	486	**486**	**18,815**
	$ 1,635,627	$ 1,983,992	**$ 3,619,619**	$ 109,683	$ 72,517	**$ 182,200**	**$ 3,801,819**

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

UNITED WAY OF NORTHERN UTAH
Statement of Cash Flows
For the Year Ended December 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ (1,148,354)
Adjustments to reconcile change in net assets to	
net cash used for operating activities	
Depreciation	67,732
Amortization of effective interest	23,418
Bad debt expense	71,357
Realized and unrealized gain on operating investments	100,840
Changes in operating assets and liabilities	
Pledges receivable - annual campaign	70,737
Account receivable - managing Utah CFC	(38,199)
Government contracts and other receivables	(81,535)
Prepaid expenses	(6,777)
Accounts payable	12,101
Payroll and other accrued liabilities	33,720
Deferred revenue	3,225
Amounts donor-designated for other campaigns	(38,404)
Net cash used for operating activities	(930,139)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of operating investments	(222,216)
Proceeds from sales of operating investments	66,145
Purchases of property and equipment	(9,266)
Net cash used for investing activities	(165,337)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on note payable	(48,000)
Net change in cash and cash equivalents	(1,143,476)
Cash and cash equivalents, beginning of year	3,071,960
Cash and cash equivalents, end of year	$ 1,928,484
As presented on the statement of financial position:	
Cash and cash equivalents (notes 1, 2)	$ 531,482
Cash and cash equivalents, restricted (notes 1, 2)	1,356,988
Cash, CFC (notes 1, 9)	40,014
	$ 1,928,484

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The United Way of Northern Utah (the United Way), is a Utah nonprofit corporation. Its mission is to unite people and organizations to build a healthy, stable and well-educated community where individuals, families and neighborhoods thrive. The United Way raises funds through the workplace campaign, grants and support from individual donors. The workplace campaign is conducted year-round to support allocations and organization expenses in the subsequent year. Donors may designate their pledges to specific agencies or donate undesignated funds. Additionally, the United Way signed a contract to administer the Intermountain Combined Federal Campaign (the CFC) soliciting funds from federal employees authorized and monitored by the U. S. Office of Personnel Management and the Local Federal Coordinating Committee.

Federal Income Tax Status

The United Way is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Sections 509(a)(1) and (3), respectively.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in *ASC 958, Not-for Profit Entities*. Under ASC 958, the United Way 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.

Cash and Cash Equivalents

The United Way considers all cash and highly liquid financial instruments with original maturities of three months or less and which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Statement of Financial Position. Net investment return is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Pledges Receivable

Pledge contributions received from donors are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions. At December 31, 2016, no permanently restricted contributions were received or recorded. Pledges receivable that are expected to be collected within one year are reported at net realizable value. Amounts expected to be collected in future years are discounted, if material, to the present value of their estimated future cash flows. Contributions are considered current and collectible within the next year and therefore, are not discounted.

When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions. However, if a restriction is fulfilled in the same fiscal year in which the contribution is received, the United Way reports the support as unrestricted.

An allowance for uncollectible pledges receivable is provided when it is believed that receivable balances may not be collected in full. It is United Way's policy to write off receivables against the allowance when management determines the receivable will not be collected. The adequacy of the allowance at the end of each period is determined using a combination of historical loss experience and individual analysis of receivable balances each period.

Pledges receivable are as follows at December 31, 2016:

Pledges receivable	$ 1,111,572
Allowance for uncollectible pledges	(29,668)
Pledges receivable, net	$ 1,081,904

Pledges receivable at December 31, 2016, excluding the allowance for uncollectible pledges, are expected to be collected as follows:

2017	$ 989,299
2018	122,273
	$ 1,111,572

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment additions over $5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 40 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the Statement of Activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

Net Asset Classifications

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operations. Unrestricted board-designated net assets consist of net assets designated by the Board of Directors for operating reserve and board-designated endowment.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or our actions and/or the passage of time, and certain income earned on permanently restricted net assets that has not yet been appropriated for expenditure by the Board of Directors. The United Way reports contributions as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by our actions. The restrictions stipulate that resources be maintained permanently but permit us to expend the income generated in accordance with the provisions of the agreements. The United Way had no permanently restricted amounts to report as of December 31, 2016.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Annual campaigns are conducted in the fall of each year to raise support for allocation to participating agencies in the subsequent calendar year. Campaign production for undesignated contributions and pledges received or receivable for annual campaigns are recognized as income in the current year as temporarily restricted net assets. Pledges are recorded in the balance sheet as receivables and allowances are provided for amounts estimated to be uncollectible.

Contributions and grants that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. If the restrictions do not expire in the reporting period in which the revenue is recognized, the contribution or grant is classified as temporarily restricted net assets.

Donated Services and In-Kind Contributions

Donated materials, use of facilities, and services are recognized at fair value as contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are only recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of volunteers have contributed significant amounts of time in connection with programs, administration, and fundraising for which no amount has been recorded in the financial statements because the services did not meet the criteria for recognition under generally accepted accounting principles.

Government Contracts and Program Fees

Government grants are recognized when the related services are provided. Amounts received but unearned are included in the Statement of Financial Position as deferred revenue, when applicable.

Advertising Costs

The United Way uses advertising to promote its programs among the audiences it serves and to encourage contributions. The costs of advertising are expensed as incurred. Advertising costs totaled $70,042 for the year ended December 31, 2016.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The United Way is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the United Way is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The United Way has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS for the year ended December 31, 2016.

The United Way believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The United Way would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. The United Way is no longer subject to tax examinations by taxing authorities for years prior to 2013.

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 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 and those differences could be material.

Financial Instruments and Concentration of Credit Risk

The United Way manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the United Way has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the United Way's mission.

Subsequent Events

The United Way has evaluated subsequent events through October 19, 2017, the date the financial statements were available to be issued.

2. FAIR VALUE MEASUREMENTS AND DISCLOSURES

The United Way report's certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the United Way develops inputs using the best information available in the circumstances.

The following table presents assets measured at fair value on a recurring basis at December 31, 2016:

	Total	Level 1	Level 2	Level 3
Operating investments				
Equities:				
Common stocks - foreign	$ 38,359	$ 38,359	$ -	$ -
Common stocks - domestic	495,896	495,896	-	-
Mutual funds - foreign stock	109,810	109,810	-	-
Mutual funds - stock	216,079	216,079	-	-
Mutual funds - ETFs	415,164	415,164	-	-
Fixed income:				
Mutual funds - corporate bonds	76,855	76,855	-	-
Mutual funds - government bonds	155,157	155,157	-	-
Mutual funds - other bonds	116,282	116,282	-	-
Mutual funds - ETFs	344,691	344,691	-	-
Corporate bonds	415,116	415,116	-	-
Total operating investments	2,383,409	2,383,409	$ -	$ -
Held as cash equivalents:				
Money market mutual funds	110,106	110,106	-	-
Certificate of deposit	20,222	20,222	-	-
Total assets measured at fair value	$ 2,513,737	$ 2,513,737	$ -	$ -

2. FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

Valuation methods used for assets measured at fair value are as follows:

- Mutual funds are valued at the reported net asset value of shares held.
- Equity securities and exchange-traded funds are valued at the closing price reported on the active market on which the individual funds are traded.

These valuation methods may produce a fair value that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while United Way believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

Investments are exposed to various risks such as interest rate, market and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Financial Position and Statement of Activities.

Net investment return consists of the following for the year ended December 31, 2016:

Operating investments	
Interest and dividends	$ 58,135
Realized and Unrealized gain (loss), net	100,840
	158,975
Money market, cash equivalent investments	68,931
Total investments return	$ 227,906

Fair value of financial instruments – The carrying value of United Way's significant financial instruments, including cash and cash equivalents, pledges receivable, other short-term assets, investments and liabilities approximates fair value as of December 31, 2016.

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2016:

Land	$ 162,539
Building and improvements	1,464,831
Equipment	92,512
Furniture and fixtures	156,843
	1,876,725
Less: accumulated depreciation	(376,553)
Property and equipment, net	$ 1,500,172

Depreciation expense totaled $67,732 for the year ended December 31, 2016.

4. NOTE PAYABLE

Note payable consists of the following as of December 31, 2016:

Non-interest-bearing note payable, due in monthly installments of $4,000, discounted at an imputed interest rate of 3%, to January 2022, secured by the building and land:

Undiscounted note payable balance	$ 772,000
Less: unamortized discount at 3.00%	(204,016)
	567,984
Less: current portion	(23,881)
	$ 544,103

Future maturities of the note payable are as follows at December 31, 2016:

	Payment	Discount	Total
2017	$ 48,000	$ (24,119)	$ 23,881
2018	48,000	(24,843)	23,157
2019	48,000	(25,588)	22,412
2020	48,000	(26,356)	21,644
2021	48,000	(27,147)	20,853
Thereafter	532,000	(75,963)	456,037
	$ 772,000	$ (204,016)	$ 567,984

Amortization of the discount is reported in the Statement of Functional Expenses as *interest and other financial expense*.

5. OPERATING LEASES

The United Way leases office space to tenants under noncancelable operating leases with terms of one to five years.

Future net minimum lease payments required under the operating leases are as follows:

Year ended December 31,	
2017	$ 102,096
2018	45,915
	$ 148,011

Total lease income for the year ended December 31, 2016 totaled $154,683.

6. NET ASSETS

Unrestricted Net Assets

The Board of Trustees of United Way (the Board) has designated unrestricted net assets as follows:

- *Community initiatives* – This reserve is for investments in strategic initiatives that create long lasting change, as determined by the Board.
- *Operating reserve* – This reserve is to provide for operations and community investments in the event of an unforeseen event or severe economic downturn. The reserve is adjusted annually.

The composition of unrestricted net assets is designated as follows at December 31, 2016:

Designated by the Board:	
Community initiatives	$ 719,135
Operating reserve	2,383,409
Undesignated	(764,976)
Total unrestricted net assets	$ 2,337,568

Temporarily Restricted Net Assets

Temporarily restricted net assets include monies received, which have not been expended for their specific purposes and contributions receivable, which are not restricted by donors, but are unavailable for expenditure until due.

Temporarily restricted net assets as of December 31, 2016, consist of:

Restricted by donors for:	
Designated campaign contributions	$ 2,086,875
United Way of Northern Utah Programs	1,433,026
Total temporarily restricted net assets	$ 3,519,901

During 2016, net assets were released from donor restrictions by collecting pledges or by incurring expenditures satisfying the restricted purposes in the amounts of $1,833,997. These amounts are included in net assets released from restrictions in the accompanying financial statements.

7. DONATED PROFESSIONAL SERVICES AND MATERIALS

The United Way received donated professional services of $7,881 and materials of $10,934 during 2016.

8. EMPLOYEE BENEFITS

The United Way has a 403(b) retirement plan whereby employees who work more than 20 hours a week can contribute up to 100 percent of their salary within statutory limits. The employer has the option to make discretionary contributions. During the year ended December 31, 2016, the United Way made contributions of approximately $28,000.

9. ANNUAL CAMPAIGN AND INTERMOUNTAIN COMBINED FEDERAL CAMPAIGN (CFC)

The annual fundraising campaign is conducted to raise support to invest in community program services and strategic initiatives. Each year, by the end of December, the United Way reports to the public the total estimated annual campaign funds raised. Actual results may differ from estimated amounts publicly reported, due to timing differences on multi-year pledges and receipts for future campaigns, among other things. The calendar year 2016 commitment to programs and agencies are largely based on the results of the fall and winter 2015 campaign, and are reflected as community investment expense in the Statement of Activities for the year ended December 31, 2016. During the 2016 campaign, $1.9 million in unrestricted contributions were received. These contributions can be distributed as directed by the CFC.

If total collected on designations is less than what was committed, the agencies only receive what was collected. If total designations exceed the commitment, the Agency receives the greater amount. Any amount designated by donors to Agencies in excess of the approved commitments is excluded from United Way's revenue and expenses.

The United Way served as the Principal Combined Fund Organization (PCFO) for the Intermountain Combined Federal Campaign (CFC) during 2016. The responsibility of the United Way to serve as PCFO is to manage the campaign and to serve as a fiscal agent.

The current year campaign results and allocations to agencies are also deducted as donor designations in the financial statement presentation. Prior to the campaign, the United Way estimates the cost of running the campaign and submits this estimate to the local Federal Coordinating Committee. At the completion of the campaign drive, the United Way received a check for the actual expenses incurred. The reimbursement received in the year ended December 31, 2016, was $222,582. At December 31, 2016, the CFC owed the United Way $260,781 for reimbursement of the 2016-2017 campaign expenses.

The CFC current year campaign estimated results that are provided to and recorded by the United Way in these final statements are based on unaudited information. Actual results could vary from this information. The CFC audited financial statements for the year ended December 31, 2016 are not expected to be available until late 2018.

10. PRIOR PERIOD ADJUSTMENT – ST. BENEDICTS FOUNDATION

On June 14, 2013, the United Way signed an agreement with the St. Benedict Foundation (the Foundation), wherein the Foundation dissolved and distributed all its available funds to the United Way, totaling $4,551,397. The agreement legally and fully transferred and assigned these assets to the United Way, with a restriction that they be used to support charitable organizations that positively impact the lives of women, children, and families in crisis over the subsequent five years.

The investment asset balance was not recorded on the balance sheet at the date of donation, or at any other time. Instead, revenue was recorded each year with offsetting expenses as the payments were made to awarding organizations. The balance of the investment account at December 31, 2015 was $2,508,304. An entry was recorded to increase both the opening balance of temporarily restricted net assets by $2,508,304 and the cash equivalent investment asset account by $2,508,304.

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