



Financial Statements

**UNITED WAY OF
GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

DECEMBER 31, 2016 AND 2015

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

TABLE OF CONTENTS

	<u>PAGE NO.</u>
INDEPENDENT AUDITOR'S REPORT.....	1-2
FINANCIAL STATEMENTS--	
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Functional Expenses.....	5-6
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8-20
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION.....	21
SUPPLEMENTARY INFORMATION--	
Schedules of Allocations to Agencies.....	22
Schedules of Historical Pledges and Uncollectibles.....	23



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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
United Way of Greater Lafayette and Tippecanoe County, Indiana, Inc.
Lafayette, Indiana**

We have audited the accompanying financial statements of United Way of Greater Lafayette and Tippecanoe County, Indiana, Inc., which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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.

INDEPENDENT AUDITOR'S REPORT--CONTINUED

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Greater Lafayette and Tippecanoe County, Indiana, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Huth Thompson LLP

May 4, 2017
Lafayette, Indiana

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**STATEMENTS OF FINANCIAL POSITION
As of December 31,**

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,352,420	\$ 2,707,000
Certificates of Deposit	433,302	555,913
Pledges Receivable	3,337,446	3,336,649
Grants Receivable	412,461	52,201
Investments	2,660,207	2,540,472
Other Assets	46,509	98,406
TOTAL CURRENT ASSETS	9,242,345	9,290,641
PROPERTY AND EQUIPMENT		
Building	592,000	592,000
Equipment	178,365	174,362
	770,365	766,362
Less: Accumulated Depreciation	(113,827)	(93,599)
	656,538	672,763
OTHER ASSETS		
Beneficial Interest in Assets Held by the Community Foundation of Greater Lafayette-- United Way Designated Fund	1,211,742	1,165,945
Investments--Permanently Restricted	4,250	4,250
	1,215,992	1,170,195
	\$ 11,114,875	\$ 11,133,599

See Notes to Financial Statements.

	<u>2016</u>	<u>2015</u>
LIABILITIES		
CURRENT LIABILITIES		
Allocations Payable	\$ 3,803,080	\$ 3,825,872
Agency Funds	393	393
Accounts Payable	115,397	82,790
Accrued Expenses	<u>13,493</u>	<u>12,070</u>
TOTAL CURRENT LIABILITIES/ TOTAL LIABILITIES	3,932,363	3,921,125
NET ASSETS		
Unrestricted--		
Board Appropriated--		
Emergency Reserve	58,793	58,793
United Way Designated Fund	<u>86,845</u>	<u>41,047</u>
	145,638	99,840
Unappropriated Net Assets--	<u>2,175,494</u>	<u>2,299,152</u>
	2,321,132	2,398,992
Temporarily Restricted--		
Albert J. Bonner, Jr. Fund	9,263	7,956
1010 Implementation	128,000	120,877
STEM Initiative	37,865	73,865
Invest 1213 - Health	247,894	315,814
Solutions Beyond Shelter	11,222	11,222
Family Stability	1,397	1,397
Philanthropic Fund	12,979	20,919
4Community2 Grant	66,493	180,929
Work2Gether	51,933	133,787
BornLearning	76,132	43,063
Kindergarten Camp	-	8,534
UnitedIN 16	400,000	-
Community Commitment to Education Campaign	<u>42,821</u>	<u>57,740</u>
	<u>3,771,131</u>	<u>3,833,129</u>
	4,857,130	4,809,232
Permanently Restricted--		
Albert J. Bonner, Jr. Fund	<u>4,250</u>	<u>4,250</u>
	4,250	4,250
TOTAL NET ASSETS	<u>7,182,512</u>	<u>7,212,474</u>
	<u>\$ 11,114,875</u>	<u>\$ 11,133,599</u>

UNITED WAY OF GREATER LAFAYETTE AND TIPPECANOE COUNTY, INDIANA, INC.

**STATEMENTS OF ACTIVITIES
For Years Ended December 31,**

	TOTAL		UNRESTRICTED		TEMPORARILY RESTRICTED		PERMANENTLY RESTRICTED	
	2016	2015	2016	2015	2016	2015	2016	2015
PUBLIC SUPPORT AND REVENUE								
Gross Campaign Results Current Year	\$ 5,182,017	\$ 5,000,417	\$ -	\$ -	\$ 5,182,017	\$ 5,000,417	\$ -	\$ -
(Less) Provisions for Uncollectibles	(187,433)	(184,022)	-	-	(187,433)	(184,022)	-	-
Prior Year Recovery for Uncollectibles	42,764	111,258	42,764	111,258	-	-	-	-
(Less) Out-of-County Designations	(563,371)	(459,764)	-	-	(563,371)	(459,764)	-	-
(Less) Amounts Designated by Donors for Member Organizations	(660,082)	(523,503)	-	-	(660,082)	(523,503)	-	-
Net Campaign Revenue	3,813,895	3,944,386	42,764	111,258	3,771,131	3,833,128	-	-
In-Kind Contributions	55,273	629,050	55,273	628,750	-	300	-	-
Contributions	132,504	95,367	53,344	45,552	79,160	49,815	-	-
Grants	606,103	221,021	-	-	606,103	221,021	-	-
Sponsorship Income	25,000	17,500	25,000	17,500	-	-	-	-
Interest and Dividends, Net of Investment Fees	86,250	104,803	86,061	104,542	189	261	-	-
Realized Gain on Sale of Investments	7,128	39,381	7,063	39,251	65	130	-	-
(Loss) on Disposal of Equipment	(36)	-	(36)	-	-	-	-	-
Endowment Income	19,837	19,968	19,837	19,968	-	-	-	-
Workshop Income	67,236	101,725	67,236	101,725	-	-	-	-
Service Fee Income	16,279	13,499	16,279	13,499	-	-	-	-
Net Assets Released from Restrictions	-	-	4,409,805	4,518,608	(4,409,805)	(4,518,608)	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	4,829,469	5,186,700	4,782,626	5,600,653	46,843	(413,953)	-	-
EXPENSES								
Program Services--								
Gross Funds Awarded and Allocation Service Expenses	3,935,080	3,944,885	3,935,080	3,944,885	-	-	-	-
(Less) Donor Designations	(660,082)	(523,503)	(660,082)	(523,503)	-	-	-	-
Net Funds Awarded and Allocation Service Expenses	3,274,998	3,421,382	3,274,998	3,421,382	-	-	-	-
Labor Relations/Community Service	78,459	66,663	78,459	66,663	-	-	-	-
Grant Programs	967,480	940,826	967,480	940,826	-	-	-	-
Total Program Services	4,320,937	4,428,871	4,320,937	4,428,871	-	-	-	-
Management and General	322,609	257,605	322,609	257,605	-	-	-	-
Fundraising	529,695	446,808	529,695	446,808	-	-	-	-
TOTAL EXPENSES	5,173,241	5,133,284	5,173,241	5,133,284	-	-	-	-
INCREASE (DECREASE) IN NET ASSETS BEFORE								
UNREALIZED GAIN (LOSS) ON INVESTMENTS	(343,772)	53,416	(390,615)	467,369	46,843	(413,953)	-	-
UNREALIZED GAIN (LOSS) ON INVESTMENTS	313,810	(311,280)	312,755	(310,258)	1,055	(1,022)	-	-
INCREASE (DECREASE) IN NET ASSETS	(29,962)	(257,864)	(77,860)	157,111	47,898	(414,975)	-	-
NET ASSETS--Beginning of Year	7,212,474	7,470,338	2,398,992	2,241,881	4,809,232	5,224,207	4,250	4,250
NET ASSETS--End of Year	\$ 7,182,512	\$ 7,212,474	\$ 2,321,132	\$ 2,398,992	\$ 4,857,130	\$ 4,809,232	\$ 4,250	\$ 4,250

See Notes to Financial Statements.

UNITED WAY OF GREATER LAFAYETTE AND TIPPECANOE COUNTY, INDIANA, INC.

**STATEMENTS OF FUNCTIONAL EXPENSES
For Years Ended December 31,**

	2016							
	PROGRAM SERVICES				SUPPORTING SERVICES			COMBINED TOTAL
	ALLOCATION SERVICE	LABOR RELATIONS/ COMMUNITY SERVICE	GRANT PROGRAMS	TOTAL	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	
Allocations to Agencies	\$ 3,935,080	\$ -	\$ -	\$ 3,935,080	\$ -	\$ -	\$ -	\$ 3,935,080
(Less) Donor Designations	(660,082)	-	-	(660,082)	-	-	-	(660,082)
Sub-Total	3,274,998	-	-	3,274,998	-	-	-	3,274,998
Grants to Agencies	-	-	359,704	359,704	-	-	-	359,704
Community and Agency Services--								
Salaries	-	43,754	351,435	395,189	166,575	219,758	386,333	781,522
Payroll Taxes	-	3,049	25,102	28,151	11,915	15,939	27,854	56,005
Fringe Benefits	-	5,860	24,048	29,908	15,907	15,194	31,101	61,009
Health Insurance	-	6,376	43,504	49,880	18,995	38,977	57,972	107,852
Public Relations/Campaign	-	1,197	5,321	6,518	3,660	131,237	134,897	141,415
State Association Dues	-	628	4,219	4,847	1,705	3,449	5,154	10,001
Office Expense	-	700	4,891	5,591	2,535	5,852	8,387	13,978
Insurance	-	1,194	8,031	9,225	3,682	6,371	10,053	19,278
Telephone and Networking	-	1,544	15,861	17,405	4,218	10,046	14,264	31,669
Postage and Shipping	-	538	754	1,292	1,459	4,212	5,671	6,963
Travel and Mileage	-	1,189	4,434	5,623	2,022	3,671	5,693	11,316
Professional Services	-	1,105	8,563	9,668	15,531	6,509	22,040	31,708
Conferences and Meetings	-	1,127	2,677	3,804	10,024	4,812	14,836	18,640
Workshop Expenses	-	-	48,556	48,556	-	-	-	48,556
Repairs and Maintenance	-	696	2,102	2,798	517	2,855	3,372	6,170
Depreciation	-	2,356	15,826	18,182	6,397	12,941	19,338	37,520
Occupancy Expense	-	2,289	15,372	17,661	6,214	12,569	18,783	36,444
Endowment Fee	-	-	-	-	21,792	-	21,792	21,792
Relocation Expense	-	-	-	-	18,658	-	18,658	18,658
Miscellaneous	-	935	730	1,665	152	13,757	13,909	15,574
United Way of America Dues	-	3,922	26,350	30,272	10,651	21,546	32,197	62,469
TOTAL FUNCTIONAL EXPENSES	\$ 3,274,998	\$ 78,459	\$ 967,480	\$ 4,320,937	\$ 322,609	\$ 529,695	\$ 852,304	\$ 5,173,241

(Continued on Page 6)

See Notes to Financial Statements.

UNITED WAY OF GREATER LAFAYETTE AND TIPPECANOE COUNTY, INDIANA, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
For Years Ended December 31,
(Continued from Page 5)

	2015							
	PROGRAM SERVICES				SUPPORTING SERVICES			COMBINED TOTAL
	ALLOCATION SERVICES	LABOR RELATIONS/ COMMUNITY SERVICE	GRANT PROGRAMS	TOTAL	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	
Allocations to Agencies	\$ 3,944,885	\$ -	\$ -	\$ 3,944,885	\$ -	\$ -	\$ -	\$ 3,944,885
(Less) Donor Designations	<u>(523,503)</u>	-	-	<u>(523,503)</u>	-	-	-	<u>(523,503)</u>
Sub-Total	3,421,382	-	-	3,421,382	-	-	-	3,421,382
Grants to Agencies	-	-	327,157	327,157	-	-	-	327,157
Community and Agency Services--								
Salaries	-	39,870	363,255	403,125	146,324	201,780	348,104	751,229
Payroll Taxes	-	2,850	27,332	30,182	11,133	14,604	25,737	55,919
Fringe Benefits	-	5,495	31,464	36,959	14,905	17,692	32,597	69,556
Health Insurance	-	5,094	28,015	33,109	3,726	24,754	28,480	61,589
Public Relations/Campaign	-	849	4,454	5,303	1,197	107,545	108,742	114,045
State Association Dues	-	595	4,611	5,206	1,546	3,048	4,594	9,800
Office Expense	-	464	5,197	5,661	1,721	3,786	5,507	11,168
Insurance	-	759	5,884	6,643	2,245	3,838	6,083	12,726
Telephone and Networking	-	1,132	15,303	16,435	3,038	5,918	8,956	25,391
Postage and Shipping	-	448	755	1,203	2,412	7,621	10,033	11,236
Travel and Mileage	-	932	5,186	6,118	540	3,832	4,372	10,490
Professional Services	-	887	7,231	8,118	27,376	4,541	31,917	40,035
Conferences and Meetings	-	257	7,091	7,348	5,068	5,103	10,171	17,519
Workshop Expenses	-	-	61,832	61,832	-	-	-	61,832
Repairs and Maintenance	-	586	2,486	3,072	559	3,319	3,878	6,950
Depreciation	-	1,247	9,666	10,913	3,242	6,389	9,631	20,544
Occupancy Expense	-	1,348	10,451	11,799	3,505	6,908	10,413	22,212
Endowment Fee	-	-	-	-	21,169	-	21,169	21,169
Miscellaneous	-	874	387	1,261	162	10,881	11,043	12,304
United Way of America Dues	-	2,976	23,069	26,045	7,737	15,249	22,986	49,031
TOTAL FUNCTIONAL EXPENSES	<u>\$ 3,421,382</u>	<u>\$ 66,663</u>	<u>\$ 940,826</u>	<u>\$ 4,428,871</u>	<u>\$ 257,605</u>	<u>\$ 446,808</u>	<u>\$ 704,413</u>	<u>\$ 5,133,284</u>

See Notes to Financial Statements.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**STATEMENTS OF CASH FLOWS
For Years Ended December 31,**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) in Net Assets	\$ (29,962)	\$ (257,864)
Adjustments to Reconcile (Decrease) in Net Assets to Net Cash (Used) by Operating Activities--		
Depreciation	37,520	20,544
In-Kind Contribution of Building	-	(592,000)
Net Realized and Unrealized (Gain) Loss on Investments and Beneficial Interest in Assets Held by the Community Foundation of Greater Lafayette	(320,938)	271,899
Loss on Disposal of Equipment	36	-
Provision for Uncollectible Pledges	191,566	220,503
(Increase) Decrease in Current Assets--		
Pledges Receivable	(192,363)	(223,669)
Grants Receivable	(360,260)	385,222
Other Assets	51,897	81,997
Increase (Decrease) in Current Liabilities--		
Accounts Payable	32,607	(20,697)
Allocations Payable	(22,792)	23,151
Accrued Expenses	1,423	(9,228)
NET CASH (USED) BY OPERATING ACTIVITIES	(611,266)	(100,142)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) Decrease in Certificates of Deposit	122,611	(48,706)
Purchases of Property and Equipment	(21,331)	(7,341)
Net Proceeds (Purchases) from Investments and Beneficial Interest in Assets Held by the Community Foundation of Greater Lafayette	155,406	(21,599)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	256,686	(77,646)
(DECREASE) IN CASH AND CASH EQUIVALENTS	(354,580)	(177,788)
CASH AND CASH EQUIVALENTS--Beginning of Year	2,707,000	2,884,788
CASH AND CASH EQUIVALENTS--End of Year	\$ 2,352,420	\$ 2,707,000

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Non-Cash Investing Activities--

In 2015, the Organization received an in-kind contribution of a building valued at \$592,000.

See Notes to Financial Statements.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015**

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the United Way of Greater Lafayette and Tippecanoe County, Indiana, Inc.'s significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

- A) **Nature of Operations**--United Way of Greater Lafayette and Tippecanoe County, Indiana, Inc. (the Organization) was formed in 1956 as a not-for-profit corporation located in Lafayette, Indiana. United Way's mission is mobilizing our community to improve lives. The Organization is governed by local volunteer leaders – people who live and/or work in the community and who understand the needs of Tippecanoe County.
- B) **Cash Equivalents**--For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments with maturities of three months or less when purchased to be cash equivalents.
- C) **Use of 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- D) **Pledges Receivable**--Pledges receivable are carried at the original pledged amount less an estimate made for allowance for doubtful accounts based on historical uncollectibles data. Pledges that are determined to be uncollectible, along with a general reserve, are included in the overall allowance for doubtful pledges. Recoveries of pledges receivable are recorded when received.
- E) **Contributions and Campaign Expenses**--Pledges receivable, which are unconditional promises to give, are recorded as received and are all restricted by time for the future year. Campaign expenses for annual campaigns are recognized in the period incurred.
- F) **Allocations**--Allocations to member agencies are recognized as expenses in the period approved by the Board of Directors.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

G) Property and Equipment--Property and equipment are stated at cost, less accumulated depreciation. If donated, the cost is the fair market value at the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives on the straight-line method. The Organization's policy is to capitalize property and equipment with a value of \$500 or greater. Maintenance, repairs, and minor renewals are charged to operations as incurred. Improvements and major renewals are capitalized. Upon sale or disposition of properties, the asset account is relieved of the cost and the accumulated depreciation account is charged with depreciation taken prior to the sale. Any resultant gain or loss is credited or charged to operations. Depreciation expense for the years ended December 31, 2016 and 2015, was \$37,520 and \$20,544, respectively.

H) Basis of Presentation--In accordance with FASB Accounting Standards Codification (Accounting Standards), the net assets of the Organization are reported in each of the following three classes:

- (1) *Unrestricted Net Assets*--Net assets that are not subject to donor-imposed stipulations.**
- (2) *Temporarily Restricted Net Assets*--Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time.**
- (3) *Permanently Restricted Net Assets*--Net assets subject to donor-imposed stipulations that the assets be maintained permanently by the Organization. Generally the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.**

All donor-restricted contributions are recorded as increases in temporarily or permanently restricted net assets, depending on 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. Restrictions on gifts of fixed assets or contributions restricted for the purchase of fixed assets expire when the asset is placed in service, unless otherwise stipulated by the donor.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

- I) **Income Taxes**--The Organization is a not-for-profit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and state income taxes under the Indiana General Not-For-Profit Act.

Accounting Standards requires entities to disclose in their financial statements the nature of any uncertainties in their tax position. Tax years including 2013 and later are subject to examination by tax authorities. Areas that IRS and state tax authorities consider when examining tax returns of a charity include, but may not be limited to, tax-exempt status and the existence and amount of unrelated business income. The Organization does not believe that it has any uncertain tax positions with respect to these or other matters, and therefore has not recorded any unrecognized tax benefits or liabilities. The Organization is not aware of any circumstances or events that make it reasonably possible that tax benefits may increase or decrease within 12 months of the date of these financial statements.

- J) **Advertising**--The Organization expenses advertising as incurred. During 2016 and 2015, advertising costs totaled \$-0- for both years.
- K) **Donated Goods and Services**--The Organization records various types of in-kind support including property and equipment, professional services, and materials. Property and equipment donated is capitalized on the basis explained on the previous page. Contributed professional services are recognized if the services either create or enhance long-lived assets, or require specialized skills and would typically need to be purchased if not provided by the donation. Contributions of supplies and materials are recognized at fair market value when received. In-kind contributions for professional services, a building, and public relation materials were \$55,273 and \$629,050 for the years ended December 31, 2016 and 2015, respectively.

The Organization also receives significant donations of time from volunteers that do not meet the two recognized criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the financial statements.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015**

NOTE 2: PLEDGES RECEIVABLE

Pledges receivable at December 31, consist of the following:

	2016	2015
Current Year Campaign	\$ 3,239,063	\$ 3,292,135
Prior Year Campaign	482,674	451,533
	3,721,737	3,743,668
Less: Allowance for Uncollectible Pledges	(384,291)	(407,019)
Total Pledges Receivable	\$ 3,337,446	\$ 3,336,649

For the years ended December 31, 2016 and 2015, management calculated the current allowance for uncollectible pledges based on 4.06% and 4.05%, respectively, of the total pledges raised less out-of-county pledges paid by others.

NOTE 3: INVESTMENTS

In 2016, the Organization invested with a different institutional investment trustee. Prior to 2016, investments were held by the Community Foundation of Greater Lafayette (the Foundation), who acted as the investment trustee. Investments are carried at fair market value, and realized and unrealized gains and losses are included in the statements of activities. Interest and dividends are accrued as earned. Interest is shown net of any investment fees.

Investments at fair market value consisted of the following for the years ended December, 31:

	2016	2015
Equity Securities	\$ 1,843,641	\$ -
Corporate Bonds	820,816	-
Pooled Investment Funds	-	2,544,722
	\$ 2,664,457	\$ 2,544,722

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015**

NOTE 3: INVESTMENTS (Continued)

The following schedule summarizes the investment return, net of investment fees of \$20,252 and \$41,993 for the years ended December 31, 2016 and 2015, respectively, and is included in the statements of activities. The investment return includes returns from the beneficial interest in assets held by the Foundation.

	2016	2015
Investment Earnings--		
Interest and Dividends, Net of Investment Fees	\$ 78,819	\$ 98,725
Realized Gain on Sale of Investments	7,128	39,381
Unrealized Gain (Loss) on Investments	313,810	(311,280)
	\$ 399,757	\$ (173,174)

Included in investments are the General, Loeb, Bonner, and Rosen funds.

NOTE 4: BENEFICIAL INTEREST IN ASSETS HELD BY THE COMMUNITY FOUNDATION OF GREATER LAFAYETTE

During 1994 and 1996, the Organization transferred assets to the Foundation and created two Agency Fund Endowments. Agency Fund Endowments are funds created by a not-for-profit organization with its own funds and for its own benefit. Assets transferred by the Organization to the Foundation are listed in the following paragraphs:

On January 1, 1994, the Organization entered into an Agency Endowment Fund Agreement (the United Way Special Endowment Fund) with the Foundation. The basic purpose of the United Way Special Endowment Fund is to provide support to the Organization to carry out its role and mission. This was accomplished by transferring cash in the amount of \$70,000 to the Foundation.

On October 1, 1996, the Organization entered into an Agency Endowment Fund Agreement (the United Way Designated Endowment Fund) with the Foundation that will benefit United Way agencies. The assets used to establish the endowment fund (\$1,054,897) were transferred from Foundation assets, which had built up over the years as a result of the receipt and investment of the Organization's allocations to the Foundation.

In 2010, the Organization merged the Special Endowment Fund into the Designated Endowment Fund.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015**

NOTE 4: BENEFICIAL INTEREST IN ASSETS HELD BY THE COMMUNITY FOUNDATION OF GREATER LAFAYETTE (Continued)

Since the Foundation is granted variance power in the endowment agreement, any subsequent contributions to the endowment made by individuals other than the Organization are not recorded on the Organization's books as contribution revenue. The only revenue and expense shown on the Organization's books for the endowment is interest income, investment gains and losses, investment fees and support expense directly related to the Organization's contributions. Revenue from the investments is reinvested annually.

At December 31, 2016 and 2015, the Organization has recorded a beneficial interest in assets held by the Foundation in the amount of \$1,211,742 and \$1,165,945, respectively. Only the income portions of these funds are board restricted. The historic value transferred is unrestricted, unappropriated.

NOTE 5: CONCENTRATIONS OF CREDIT RISK

At certain times during the year the Organization maintained cash deposits with its banks which exceeded the insurance limits set by the Federal Deposit Insurance Corporation (FDIC) as well as deposits with a credit union which exceeded the insurance limit set by the National Credit Union Administration (NCUA) and Excess Share Insurance (ESI) limits. As of December 31, 2016 and 2015, the amounts over the FDIC, NCUA, and ESI limits were \$804,738 and \$1,349,665, respectively.

Investments, including investments underlying other assets invested with the Community Foundation of Greater Lafayette, total \$3,876,199 and \$3,710,667 at December 31, 2016 and 2015, respectively and make up approximately 35% and 33% of the Organization's total assets, respectively. If market events were to result in a severe near term effect, management believes it would not cause a severe disruption of the normal functioning of the entity.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015**

NOTE 6: DONOR DESIGNATED CONTRIBUTIONS

In accordance with Accounting Standards, donor designated contributions are accounted for as a liability on the books of the Organization.

As of December 31, 2016 and 2015, \$660,082 and \$523,503, respectively, have been designated by donors for various agencies. The Organization has either included these designated amounts in the total allocations payable or paid the allocations out in each respective year.

United Way of Greater Lafayette complies with both the letter and intent of United Way of America's Cost Deduction Standard. United Way does not charge donors more than the actual cost to process and transfer designated gifts. There are no duplicative charges assessed donors on designated gifts.

NOTE 7: BOARD APPROPRIATED FUNDS

Annual allocations are made to the unrestricted, board appropriated fund accounts through transfers from the undesignated fund. Disbursements made in excess of the annual allocations to these funds must be approved by the Board of Directors. Any balances remaining in the board appropriated fund accounts at the end of the year are carried over to the following year and serve to reduce the allocations necessary in the following year.

NOTE 8: NET ASSETS

Unrestricted, board designated funds are specifically identified in the statement of financial position and amount to \$145,638 and \$99,840, respectively for the years ended December 31, 2016 and 2015. Included in cash and investments at December 31, 2016 and 2015, is \$145,638 and \$99,840, respectively, of unrestricted, board designated funds.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015**

NOTE 8: NET ASSETS (Continued)

Temporarily restricted net assets are available for the following purposes as of December 31:

	<u>2016</u>	<u>2015</u>
Purpose Restriction--		
Special Projects-Bonner	\$ 9,263	\$ 7,956
1010 Implementation	128,000	120,877
STEM Initiative	37,865	73,865
Invest 1213-Health	247,894	315,814
Solutions Beyond Shelter	11,222	11,222
Family Stability	1,397	1,397
Work2Gether	51,933	133,787
BornLearning	76,132	43,063
Kindergarten Camp	-	8,534
Philanthropic Needs	12,979	20,919
4Community2	66,493	180,929
UnitedIN 16	400,000	-
Community Commitment to Education	42,821	57,740
Time Restriction--		
Campaign to support future years	<u>3,771,131</u>	<u>3,833,129</u>
	<u>\$ 4,857,130</u>	<u>\$ 4,809,232</u>

Included in cash, certificates of deposits, and receivables at December 31, 2016 and 2015, are \$4,847,867 and \$4,801,275, respectively, of temporarily restricted funds. Included in investments at December 31, 2016 and 2015, is \$9,263 and \$7,956, respectively, of temporarily restricted net assets.

Permanently restricted net assets for the years ended December 31, 2016 and 2015, consist of the Albert J. Bonner, Jr. Fund in the amount of \$4,250 for both years. These funds are included in the investment portfolio for the years ended December 31, 2016 and 2015.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015**

NOTE 9: OVERHEAD RATIO

The overhead ratio is equal to fund-raising and management and general expenses divided by total campaign support and all other revenue sources. The ratio is calculated below using the Gross Method recommended in “*Functional Expenses and Overhead Reporting Guidelines for United Ways,*” United Way of America.

	2016	2015
Numerator:		
Supporting Services Functional Expenses	\$ 825,585	\$ 712,016
Denominator:		
Total Support and Revenue	6,023,901	6,177,412
Numerator/Denominator		
Expressed as a Percent	13.71%	11.53%

NOTE 10: FUNCTIONAL EXPENSES

Expenses are allocated based on their functional basis: program services, management and general, and fundraising costs. Expenses by function have been allocated among program and supporting services classifications on the basis of time studies and analyses made by the Organization’s management.

Program services are divided into three programs. The Allocation Service Program recruits, educates, and assists local community volunteers in the identification of community funds in programs that address those same needs in our community. The Labor Relations/Community Services Program recruits and educates employees and union members on resources available in our community to assist people in need as well as the ways in which they can assist their co-workers, family members, and neighbors in locating the proper resources for their needs. Grant Programs consists of the United Way Volunteer Center (UWVC), Indiana Nonprofit Resource Network (INRN), and Community Impact.

The Community Impact Programs work to bring key community partners together to address significant community issues. UWVC and INRN are programs that build and strengthen our community by promoting and developing volunteerism by developing awareness among area residents of social service needs in the Lafayette community, promoting the recruitment of volunteers to work with social service agencies to develop and maintain quality volunteer programs.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015**

**NOTE 11: TRANSACTIONS WITH UNITED WAY OF AMERICA AND CENTRAL INDIANA
UNITED WAY--RELATED PARTY**

The Organization remits annual dues to United Way of America and Indiana Association of United Way. Remitted amounts for the years ended December 31 were as follows:

	<u>2016</u>	<u>2015</u>
United Way of America	\$ 62,469	\$ 49,031
Indiana United Way	<u>10,001</u>	<u>9,800</u>
	<u>\$ 72,470</u>	<u>\$ 58,831</u>

In addition, the Organization recorded \$508,361 and \$162,276 in grant income from Indiana Association of United Way for the years ended December 31, 2016 and 2015, respectively.

NOTE 12: PENSION PLAN

The Organization has a defined contribution plan covering substantially all of its employees. Funding of this plan is current. Pension expense was \$46,470 and \$54,531 in 2016 and 2015, respectively.

NOTE 13: CONDITIONAL GRANTS

In 2016 and 2014 the Organization was awarded grants under the UnitedIN 16 and Work2Gether programs through the Indiana Association of United Ways. The grants were awarded in the amount of \$400,000 and \$461,052, respectively conditional upon the Organization securing new giving. The Organization has two years in which to meet the conditions of the grant. As of December 31, 2016 and 2015, the Organization met match requirements totaling \$400,000 and \$24,806, respectively.

NOTE 14: COMMITMENTS

The Organization has entered into three lease agreements for postage and software hosting. The leases qualify as operating leases and contain monthly lease payments of \$93 and \$425 and annual payments of \$3,500. The leases expire at various dates thru June 2017. Expenses under these leases totaled \$9,722 for the years ended December 31, 2016 and 2015.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015**

NOTE 14: COMMITMENTS (Continued)

The Organization has also entered into an agreement for Connect2Help services through December 2016. The agreement includes monthly payments of \$2,300. Total expense under this agreement was \$27,600 for the years ended December 31, 2016 and 2015.

The minimum payments under these commitments for the years following December 31, 2016, are as follows:

2017	\$ 561
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NOTE 15: FAIR VALUE MEASUREMENTS

The Organization follows Accounting Standards which provides a framework for measuring fair value. Accounting Standards 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.

Accounting Standards require that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. Accounting Standards also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

There are three general valuation techniques that may be used to measure fair value, as described below:

- a) **Market approach--Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sales transactions, market trades, or other sources.**
- b) **Cost approach--Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and**
- c) **Income approach--Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (including present value techniques and option pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.**

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015**

NOTE 15: FAIR VALUE MEASUREMENTS (Continued)

Assets were measured at fair value during the years ended December 31, 2016 and 2015. The market approach was used for Level 1 and Level 2 inputs.

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial liabilities valued using Level 3 inputs are based on prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. Valuation techniques utilized to determine fair value are consistently applied.

Fair values of assets measured at December 31, 2016 and 2015, are as follows:

	<u>Fair Value Measurements at Reporting Date Using:</u>			
	Fair Value	Quoted Prices In Active Markets for Identical Assets/ Liabilities Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
<u>December 31, 2016--</u>				
Financial Assets--Recurring--				
Investments--				
Foreign Large Blend	\$ 677,980	\$ 677,980	\$ -	\$ -
Diversified Emerging Markets	188,520	188,520	-	-
High Yield Bond	110,438	110,438	-	-
Large Growth	353,828	353,828	-	-
Large Value	347,293	347,293	-	-
Small Growth	60,652	60,652	-	-
Small Value	53,523	53,523	-	-
Mid-Cap Growth	82,782	82,782	-	-
Mid-Cap Value	79,063	79,063	-	-
Ultrashort Bond	77,821	77,821	-	-
Short-Term Bond	254,161	254,161	-	-
Intermediate-Term Bond	327,038	327,038	-	-
World Bond	51,358	51,358	-	-
Beneficial Interest in Assets Held by the Community Foundation of Greater Lafayette*	<u>1,211,742</u>	<u>-</u>	<u>1,211,742</u>	<u>-</u>
Total Assets	<u>\$ 3,876,199</u>	<u>\$ 2,664,457</u>	<u>\$ 1,211,742</u>	<u>\$ -</u>
<u>December 31, 2015--</u>				
Financial Assets--Recurring--				
Investments*				
Beneficial Interest in Assets Held by the Community Foundation of Greater Lafayette*	\$ 2,544,722	\$ -	\$ 2,544,722	\$ -
	<u>1,165,945</u>	<u>-</u>	<u>1,165,945</u>	<u>-</u>
Total Assets	<u>\$ 3,710,667</u>	<u>\$ -</u>	<u>\$ 3,710,667</u>	<u>\$ -</u>

* Items are maintained in an Investment Pool and presented in total. Natural classes of securities are unavailable for disclosure.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015**

NOTE 16: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 4, 2017, the date which the financial statements were available to be issued.



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**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors
United Way of Greater Lafayette and Tippecanoe County, Indiana, Inc.
Lafayette, Indiana

We have audited the financial statements of United Way of Greater Lafayette and Tippecanoe County, Indiana, Inc. as of and for the years ended December 31, 2016 and 2015, and have issued our report thereon dated May 4, 2017, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole.

The following supplemental schedules are presented for the 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.

Huth Thompson LLP

May 4, 2017
Lafayette, Indiana

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

SCHEDULES OF ALLOCATIONS TO AGENCIES

As of December 31,

(See Independent Auditor's Report on Supplementary Information)

	<u>2016</u>	<u>2015</u>
American Red Cross	\$ 125,000	\$ 125,000
Big Brothers/Big Sisters	103,000	103,000
Boy Scouts of Sagamore Council	81,000	81,000
Bauer Family Resource Center	374,500	374,500
Connect2Help	27,600	27,600
Food Finders Food Bank	116,500	129,500
Girl Scouts of Sycamore Council	46,000	46,000
Hanna Community Center	71,000	71,000
Lafayette Adult Resource Academy	77,000	77,000
Lafayette Family YMCA	89,500	89,500
LTHC Homeless Services	329,080	295,500
Legal Aid Corporation	61,500	61,500
Lyn Treece Boys and Girls Club	243,500	243,500
Meals on Wheels/Tippecanoe County Council on Aging	26,000	26,000
Meals on Wheels*	-	4,885
Mental Health America	241,000	256,000
Riggs Community Health Center	200,000	200,000
Right Steps Child Development Centers	540,500	540,500
Salvation Army	89,000	89,000
The Arc of Tippecanoe County	32,000	32,000
Tippecanoe County Council on Aging, Senior Center	197,500	197,500
Wabash Center	244,000	244,000
Willowstone	308,400	308,400
YWCA	<u>179,500</u>	<u>179,500</u>
	<u>3,803,080</u>	<u>3,802,385</u>
Less: Donor Designated Contributions	<u>(660,082)</u>	<u>(523,503)</u>
	<u>\$ 3,142,998</u>	<u>\$ 3,278,882</u>

The amounts listed above include donor designated contributions for 2016 and 2015.

*Meals on Wheels received \$-0- and \$4,885 in donor designated contributions in excess of their allocation for 2016 and 2015, respectively.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**SCHEDULES OF HISTORICAL PLEDGES AND UNCOLLECTIBLES
As of December 31,
(See Independent Auditor's Report on Supplementary Information)**

CAMPAIGN YEAR	TIPPECANOE TOTAL PLEDGES RECEIVABLE	ALLOWANCE FOR UNCOLLECTED			PERCENT OF TOTAL UNCOLLECTED
		ORIGINAL	ADJUSTMENTS	UNCOLLECTED	
1987	2,406,026	90,626	59,510	150,136	6.24
1988	2,569,182	107,527	2,122	109,649	4.27
1989	2,800,949	119,803	(21,076)	98,727	3.52
1990	3,071,030	129,262	39,164	168,426	5.48
1991	3,197,824	159,273	(49,980)	109,293	3.42
1992	3,261,425	169,400	(781)	168,619	5.17
1993	3,386,686	161,085	(10,010)	151,075	4.46
1994	3,431,252	163,393	(9,900)	153,493	4.47
1995	3,601,188	171,485	1,236	172,721	4.80
1996	3,761,580	188,079	(8,644)	179,435	4.77
1997	3,956,639	197,832	56,035	253,867	6.42
1998	4,121,871	206,094	56,516	262,610	6.37
1999	4,307,759	237,312	(129,996)	107,316	2.49
2000	4,380,508	264,000	(76,592)	187,408	4.28
2001	4,401,345	267,600	(66,468)	201,132	4.57
2002	4,665,021	264,083	(87,300)	176,783	3.79
2003	4,399,526	264,000	(94,509)	169,491	3.85
2004	4,447,808	242,375	(73,741)	168,634	3.79
2005	4,656,884	218,585	43,364	261,949	5.62
2006	4,612,355	221,819	2,568	224,387	4.86
2007	4,644,855	207,160	110,923	318,083	6.85
2008	4,745,316	265,208	128,779	393,987	8.30
2009	4,266,163	283,273	(19,726)	263,547	6.18
2010	4,257,744	299,319	(110,438)	188,881	4.44
2011	4,283,304	280,484	(114,248)	166,236	3.88
2012	4,532,528	291,946	(105,941)	186,005	4.10
2013	4,543,407	258,946	(86,746)	172,200	3.79
2014	4,628,534	215,211	(8,360)	206,851	4.47
2015	4,540,654	184,022	*	*	*
2016	4,618,647	187,433	*	*	*

Note: The pledges and allowances shown above represent only Tippecanoe County pledges. The columns do not include Out-of-County designated pledges or allowances.