

UNITED WAY SUNCOAST, INC.

Financial Statements

June 30, 2015 and 2014
(With Independent Auditor's Report Thereon)

UNITED WAY SUNCOAST, INC.

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United Way Suncoast, Inc.
Management Certification
Year Ended June 30, 2015

I hereby certify that:

1. I have read the audited financial statements of United Way Suncoast, Inc. for the year ended June 30, 2015.
2. Based on my knowledge, the financial statements of United Way Suncoast, Inc. for the period ended June 30, 2015 do not contain any misstatement of a material fact or omission of a material fact that would make the statements misleading.
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present, in all material respects, the financial condition, results of operations and cash flows of United Way Suncoast, Inc. as of, and for the period ended, June 30, 2015.


Suzanne McCormick
President & CEO

10/21/15
Date


Mindy Forey
VP, Finance & Operations

10/21/2015
Date



Mayer Hoffman McCann P.C.
An Independent CPA Firm

1530 W. Cleveland Street ■ Tampa, Florida 33606
Main: 813.594.1400 ■ Fax: 813.594.1408 ■ www.mhm-pc.com

Independent Auditor's Report

Board of Directors
United Way Suncoast, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of United Way Suncoast, Inc. (United Way), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, the related statement of functional expenses for the year ended June 30, 2015 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 Organization'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 Suncoast, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended, and its functional expenses for the year ended June 30, 2015 in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited United Way of Suncoast, Inc.'s 2014 financial statements, and our report dated October 15, 2014, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mayer Hoffman McCann P.C.

October 21, 2015
Tampa, Florida

UNITED WAY SUNCOAST, INC.

Statements of Financial Position

June 30, 2015 and 2014

Assets	2015	2014
Cash and cash equivalents	\$ 3,907,124	3,813,587
Pledges receivable, less allowance for uncollectible pledges of approximately \$1,452,000 and \$1,654,000 in 2015 and 2014, respectively	6,150,826	6,659,565
Accrued interest	59,514	67,101
Accounts receivable	58,268	104,749
Accrued bequests	800,000	227,587
Prepaid expenses	80,372	55,189
Community Foundation investments	1,127,430	1,153,822
Investments	22,250,238	22,928,245
Receivable under remainder trusts and other	915,147	765,659
Gifted facility	48,707	60,405
Property and equipment, net	846,158	664,033
Other	44,199	25,691
	<u>\$ 36,287,983</u>	<u>36,525,633</u>
Liabilities and Net Assets		
Allocations and designations payable	\$ 6,808,834	7,064,792
Other liabilities	1,003,771	776,237
Annuities payable	324,841	361,664
Obligation under remainder trust agreement	99,055	110,801
Deferred lease incentive	268,785	334,896
Capital lease obligations	66,382	89,469
Pension obligation	665,780	681,047
	<u>9,237,448</u>	<u>9,418,906</u>
Net assets:		
Unrestricted:		
Operating reserves	5,809,864	6,101,861
Disaster relief reserves	1,000,000	1,000,000
Designated for capital reserves	-	264,316
Net investment in property and equipment	510,991	239,667
Board designated for endowment	9,829,776	8,192,740
Board designated for funding pension plan termination	300,000	300,000
Undesignated	40,166	1,122,685
	<u>17,490,797</u>	<u>17,221,269</u>
Temporarily restricted	5,526,032	5,865,106
Permanently restricted	4,033,706	4,020,352
	<u>27,050,535</u>	<u>27,106,727</u>
Total net assets	<u>27,050,535</u>	<u>27,106,727</u>
Total liabilities and net assets	<u>\$ 36,287,983</u>	<u>36,525,633</u>

See accompanying independent auditor's report and notes to financial statements.

UNITED WAY SUNCOAST, INC.

Statement of Activities

**Year Ended June 30, 2015
(With Comparative Totals for 2014)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	
				<u>2015</u>	<u>2014</u>
Gross campaign contributions	\$ 19,417,367	1,133,162	-	20,550,529	22,395,762
Donor designations	(3,518,771)	-	-	(3,518,771)	(3,559,885)
Undesignated campaign contributions	15,898,596	1,133,162	-	17,031,758	18,835,877
Contributions recognized in a prior period	(106,911)	-	-	(106,911)	(71,252)
Unrestricted, undesignated campaign contributions	\$ <u>15,791,685</u>	<u>1,133,162</u>	<u>-</u>	<u>16,924,847</u>	<u>18,764,625</u>
Public support and revenue:					
Public support:					
Contributions	\$ 15,791,685	1,133,162	-	16,924,847	18,764,625
Provision for uncollectible pledges	(1,327,644)	-	-	(1,327,644)	(1,478,368)
Annual campaign, net of uncollectible pledges	14,464,041	1,133,162	-	15,597,203	17,286,257
Program revenues	1,721,078	8,381	-	1,729,459	1,432,438
Bequests and trusts	1,554,763	163,508	-	1,718,271	457,513
Total public support	17,739,882	1,305,051	-	19,044,933	19,176,208
Revenue:					
Service fee income	307,562	-	-	307,562	355,555
Investment return	211,144	191,349	10,000	412,493	2,620,439
Miscellaneous income	47,314	72,513	-	119,827	131,134
Total revenue	566,020	263,862	10,000	839,882	3,107,128
Net assets released from donor restrictions	1,941,395	(1,941,395)	-	-	-
Total public support and revenue	20,247,297	(372,482)	10,000	19,884,815	22,283,336
Expenses:					
Program services:					
Gross funds awarded/distributed	16,037,248	-	-	16,037,248	15,682,532
Less donor designations	(3,518,771)	-	-	(3,518,771)	(3,559,885)
Net funds awarded/distributed to agencies	12,518,477	-	-	12,518,477	12,122,647
Program services	3,116,944	-	-	3,116,944	3,105,919
Total program services	15,635,421	-	-	15,635,421	15,228,566
Supporting services:					
Resource development	2,251,091	-	-	2,251,091	2,255,487
Administration	2,033,633	-	-	2,033,633	1,668,358
Total supporting services	4,284,724	-	-	4,284,724	3,923,845
Total expenses	19,920,145	-	-	19,920,145	19,152,411
Increase (decrease) in net assets before other changes	327,152	(372,482)	10,000	(35,330)	3,130,925
Other changes:					
Change in value of split-interest agreements	(23,530)	33,408	3,354	13,232	38,074
Previously unrecognized loss excluded from net periodic pension costs	(34,094)	-	-	(34,094)	(132,742)
Loss on sale of property and equipment	-	-	-	-	(439)
Increase (decrease) in net assets	269,528	(339,074)	13,354	(56,192)	3,035,818
Net assets, beginning of year	17,221,269	5,865,106	4,020,352	27,106,727	24,070,909
Net assets, end of year	\$ <u>17,490,797</u>	<u>5,526,032</u>	<u>4,033,706</u>	<u>27,050,535</u>	<u>27,106,727</u>

UNITED WAY SUNCOAST, INC.

Statement of Activities

Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Gross campaign contributions	\$ 20,887,431	1,508,331	-	22,395,762
Donor designations	<u>(3,559,885)</u>	<u>-</u>	<u>-</u>	<u>(3,559,885)</u>
Undesignated campaign contributions	17,327,546	1,508,331	-	18,835,877
Contributions recognized in a prior period	<u>(71,252)</u>	<u>-</u>	<u>-</u>	<u>(71,252)</u>
Unrestricted, undesignated campaign contributions	<u>\$ 17,256,294</u>	<u>1,508,331</u>	<u>-</u>	<u>18,764,625</u>
Public support and revenue:				
Public support:				
Contributions	\$ 17,256,294	1,508,331	-	18,764,625
Provision for uncollectible pledges	<u>(1,478,368)</u>	<u>-</u>	<u>-</u>	<u>(1,478,368)</u>
Annual campaign, net of uncollectible pledges	15,777,926	1,508,331	-	17,286,257
Program revenues	1,357,005	75,433	-	1,432,438
Bequests and trusts	<u>443,753</u>	<u>13,760</u>	<u>-</u>	<u>457,513</u>
Total public support	17,578,684	1,597,524	-	19,176,208
Revenue:				
Service fee income	355,555	-	-	355,555
Investment return	1,636,262	984,177	-	2,620,439
Miscellaneous income	<u>131,134</u>	<u>-</u>	<u>-</u>	<u>131,134</u>
Total revenue	2,122,951	984,177	-	3,107,128
Net assets released from donor restrictions	<u>1,369,003</u>	<u>(1,369,003)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	21,070,638	1,212,698	-	22,283,336
Expenses:				
Program services:				
Gross funds awarded/distributed	15,682,532	-	-	15,682,532
Less donor designations	<u>(3,559,885)</u>	<u>-</u>	<u>-</u>	<u>(3,559,885)</u>
Net funds awarded/distributed to agencies	12,122,647	-	-	12,122,647
Program services	<u>3,105,919</u>	<u>-</u>	<u>-</u>	<u>3,105,919</u>
Total program services	15,228,566	-	-	15,228,566
Supporting services:				
Resource development	2,255,487	-	-	2,255,487
Administration	<u>1,668,358</u>	<u>-</u>	<u>-</u>	<u>1,668,358</u>
Total supporting services	3,923,845	-	-	3,923,845
Total expenses	<u>19,152,411</u>	<u>-</u>	<u>-</u>	<u>19,152,411</u>
Increase in net assets before other changes	1,918,227	1,212,698	-	3,130,925
Other changes:				
Change in value of split-interest agreements	(56,221)	80,954	13,341	38,074
Previously unrecognized gains excluded from net periodic pension costs	<u>(132,742)</u>	<u>-</u>	<u>-</u>	<u>(132,742)</u>
Gain on sale of property and equipment	<u>(439)</u>	<u>-</u>	<u>-</u>	<u>(439)</u>
Increase in net assets	1,728,825	1,293,652	13,341	3,035,818
Net assets, beginning of year	<u>15,492,444</u>	<u>4,571,454</u>	<u>4,007,011</u>	<u>24,070,909</u>
Net assets, end of year	<u>\$ 17,221,269</u>	<u>5,865,106</u>	<u>4,020,352</u>	<u>27,106,727</u>

See accompanying independent auditor's report and notes to financial statements.

UNITED WAY SUNCOAST, INC.

Statements of Cash Flows

Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (56,192)	3,035,818
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	182,463	197,632
Provision for uncollectible pledges	1,327,644	1,478,368
Loss on sale of property and equipment	-	439
Realized and unrealized gains on investments	(40,200)	(2,311,266)
Change in value of split-interest agreements	(13,232)	(38,074)
Decrease (increase) in gifted facility	11,698	(45,664)
Increase in pledges receivable	(818,905)	(1,736,689)
Decrease (increase) in other receivables	(634,425)	1,954,808
Decrease (increase) in prepaid expenses and other assets	(43,691)	84,070
Decrease in allocations and designations payable	(255,958)	(161,382)
Increase (decrease) in other current liabilities	161,423	(253,492)
Decrease in pension obligation	(15,267)	(140,244)
Net cash provided by (used in) operating activities	<u>(194,642)</u>	<u>2,064,324</u>
Cash flows from investing activities:		
Capital expenditures	(364,588)	(139,223)
Purchases of investment securities	(7,069,937)	(17,081,010)
Proceeds from sale of investment securities	<u>7,814,536</u>	<u>14,771,000</u>
Net cash provided by (used in) investing activities	<u>380,011</u>	<u>(2,449,233)</u>
Cash flows from financing activities:		
Principal payments on capital lease obligations	(23,087)	(22,055)
Principal payments on gift annuity obligations	(54,279)	(54,121)
Principal payments on obligation under remainder trust	<u>(14,466)</u>	<u>(14,184)</u>
Net cash used in financing activities	<u>(91,832)</u>	<u>(90,360)</u>
Net increase (decrease) in cash and cash equivalents	93,537	(475,269)
Cash and cash equivalents, beginning of year	<u>3,813,587</u>	<u>4,288,856</u>
Cash and cash equivalents, end of year	<u>\$ 3,907,124</u>	<u>3,813,587</u>
Supplemental cash flow information:		
Cash paid for interest	<u>\$ 6,348</u>	<u>7,137</u>

See accompanying independent auditor's report and notes to financial statements.

UNITED WAY SUNCOAST, INC.

Statement of Functional Expenses

**Year Ended June 30, 2015
(With Comparative Totals for 2014)**

	Program Services					Supporting Services			Total	
	Early Literacy	Youth Success	Financial Stability	Community Support Services	Total Programs	Resource Development	Administration	Total Supporting Services	2015	2014
Allocations/awards	\$ 4,718,859	1,226,643	2,196,653	7,895,093	16,037,248	-	-	-	16,037,248	15,682,532
Less donor designations	-	-	-	(3,518,771)	(3,518,771)	-	-	-	(3,518,771)	(3,559,885)
	<u>4,718,859</u>	<u>1,226,643</u>	<u>2,196,653</u>	<u>4,376,322</u>	<u>12,518,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,518,477</u>	<u>12,122,647</u>
Salaries	357,069	145,451	317,625	914,311	1,734,456	1,233,965	1,119,199	2,353,164	4,087,620	3,856,084
Payroll taxes/PEO fees	38,899	15,342	35,081	88,759	178,081	131,165	99,134	230,299	408,380	393,114
401(k) and pension	13,582	4,905	9,133	39,389	67,009	49,964	70,396	120,360	187,369	181,416
Other employee benefits	49,364	16,284	40,326	87,758	193,732	143,333	116,662	259,995	453,727	454,212
	<u>458,914</u>	<u>181,982</u>	<u>402,165</u>	<u>1,130,217</u>	<u>2,173,278</u>	<u>1,558,427</u>	<u>1,405,391</u>	<u>2,963,818</u>	<u>5,137,096</u>	<u>4,884,826</u>
Legal fees	-	-	-	-	-	-	7,005	7,005	7,005	352
Accounting and audit fees	4,966	1,711	4,555	8,752	19,984	14,889	16,277	31,166	51,150	56,022
Professional and consulting fees	10,890	353	4,777	28,968	44,988	26,169	32,062	58,231	103,219	43,749
Advertsing and promotion	2,327	-	34,660	353	37,340	12,717	6,303	19,020	56,360	66,008
Office expense	10,123	5,023	14,494	19,139	48,779	36,341	59,830	96,171	144,950	153,649
Information technology	17,311	8,570	22,712	37,105	85,698	66,489	54,779	121,268	206,966	180,433
Occupancy	54,093	20,912	60,806	112,775	248,586	212,003	143,391	355,394	603,980	574,511
Travel	10,369	3,552	7,658	23,384	44,963	39,012	21,853	60,865	105,828	120,156
Conferences, conventions and meetings	33,913	30,925	1,612	19,199	85,649	30,800	38,884	69,684	155,333	171,945
Interest	255	249	332	313	1,149	1,377	3,822	5,199	6,348	7,138
UWW and UWFL dues	25,224	7,402	17,063	55,506	105,195	92,020	72,456	164,476	269,671	258,705
Depreciation and amortization	16,230	5,383	23,782	34,493	79,888	59,957	42,618	102,575	182,463	197,632
Insurance	2,210	774	2,103	6,481	11,568	6,798	5,335	12,133	23,701	18,440
Printing	8,558	1,603	3,055	2,268	15,484	51,502	31,754	83,256	98,740	113,425
Program and campaign supplies	38,261	5,690	1,904	53,243	99,098	5,443	1,772	7,215	106,313	88,724
Event sponsorship and attendance	2,322	95	1,030	6,549	9,996	29,281	6,311	35,592	45,588	34,109
Research and opinion polls	-	-	-	-	-	-	22,780	22,780	22,780	18,000
Memberships and subscriptions	51	-	-	2,317	2,368	4,241	17,756	21,997	24,365	14,692
Other expenses	-	-	-	2,933	2,933	3,625	43,254	46,879	49,812	27,248
	<u>237,103</u>	<u>92,242</u>	<u>200,543</u>	<u>413,778</u>	<u>943,666</u>	<u>692,664</u>	<u>628,242</u>	<u>1,320,906</u>	<u>2,264,572</u>	<u>2,144,938</u>
Total expenses	\$ <u>5,414,876</u>	<u>1,500,867</u>	<u>2,799,361</u>	<u>5,920,317</u>	<u>15,635,421</u>	<u>2,251,091</u>	<u>2,033,633</u>	<u>4,284,724</u>	<u>19,920,145</u>	<u>19,152,411</u>

See accompanying independent auditor's report and notes to financial statements.

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements

June 30, 2015 and 2014

(1) Nature of Activities and Summary of Significant Accounting Policies

(a) Nature of Activities

The United Way Suncoast, Inc. (the Organization or United Way) is a not-for-profit organization governed by a volunteer board of directors. United Way's mission is to provide leadership that improves lives and creates lasting community change by mobilizing the caring people of our communities to give, advocate and volunteer. United Way works with community partners, including a network of partner agencies, businesses, school systems, governments, and other funding sources to break the cycle of generational poverty through educational programs that give children the skills to succeed and help adults achieve long-term financial stability.

United Way leads collective impact programs that help change the story for individuals and families today and build a solid foundation for future success through a committed focus on:

Early Literacy

With targeted, holistic intervention in and out of school, children can overcome barriers and catch up to their less challenged peers. United Way provides that support for children 0-12 years old through programs that activate parent involvement, help more children attend enriched out-of-school programs, combat summer learning loss, increase school attendance, provide caregiver education, engage volunteer reading tutors and more.

Youth Success

United Way works to help young people graduate from high school ready to pursue college or career training that enables family-sustaining employment. This is accomplished through programs and services that create supportive learning environments, identify and intervene with at-risk students, connect students to careers, improve attendance and increase parental involvement so young people successfully complete high school.

Financial Stability

United Way helps adults develop and build the financial and employability skills they need to make informed financial decisions to achieve long-term financial stability. From budgeting to employment skills, to programs that help them save to buy a home or start a business, United Way supports individuals and families.

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(1) **Nature of Activities and Summary of Significant Accounting Policies - Continued**

(b) **Support Services**

United Way supports a network of services to help individuals/families in crisis move past immediate need to participate fully in United Way's Collective Impact priorities. Programs include health, nutrition/food assistance, shelter and safety interventions.

(c) **Accounting Method**

The financial statements of the Organization have been prepared on the accrual basis. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories as follows:

- (i) *Unrestricted*: Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

Designations of unrestricted net assets are summarized as follows:

Operating reserves are used to fund special projects, emergencies and portions of the operating budget as approved by the Board of Directors in the budget process. The funded operating reserve goal is to achieve and maintain between three and six months of program funding and operating costs.

Disaster relief reserves are available for use in the event a major disaster strikes the Tampa Bay community. The funded disaster relief reserve goal is to maintain \$1 million.

Capital reserves fund the capital outlay needs of the Organization.

Net investment in property and equipment is equal to the net book value of property and equipment less related liabilities.

Designated for endowment is the level of investments designated by the Board to earn interest and appreciation with the long term goal of growth.

Designated for funding of pension plan termination represents the amount designated to fund termination of the Organization's defined benefit pension plan.

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(1) **Nature of Activities and Summary of Significant Accounting Policies - Continued**

- (ii) *Temporarily Restricted:* Net assets whose use by the Organization is subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.
- (iii) *Permanently Restricted:* Net assets whose use by the Organization is permanently restricted. Earnings on the investment of permanently restricted net assets include donor imposed restrictions for specific programs under certain named endowments as well as unrestricted earnings under various general endowments as more fully described in Note 10.

(d) **Activities**

Public support consists primarily of pledges promised and of payments on pledges made during annual fund-raising campaigns. All public support is considered to be available for unrestricted use unless specifically restricted by the donor. Pledge income is recognized when unconditional pledge commitments are received and allowances are provided for amounts estimated to be uncollectible.

Allocations expense is recognized when the commitment is made to pay allocations to participating agencies. The Organization's Board of Directors approves allocations for commitment two times a year.

Expenses are summarized on a functional basis. Salaries and related payroll expenses are allocated based on estimated proportions of time spent for each function. All other expenses are allocated based on management's estimate of various functional activities.

(e) **Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value in the statements of financial position. Investment income (including realized and unrealized gains and losses on investments, interest and dividends) is reflected in the statements of activities. Purchases and sales of investments are recorded on the trade date. The cost of investments sold is determined by the specific identification method.

(f) **Cash and Cash Equivalents**

Cash and cash equivalents include short-term investments with original maturities of three months or less.

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(1) Nature of Activities and Summary of Significant Accounting Policies - Continued

(g) Contributions and Allowance for Uncollectible Pledges

Contributions received, including unconditional promises to give, are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire or are otherwise satisfied in the fiscal year in which the contributions are recognized.

The allowance for uncollectible pledges is computed based upon a three year historical average of campaign collections adjusted by management estimates of current economic factors, applied to individual campaigns, including donor designations. Management's estimate of the allowance is subject to a significant degree of uncertainty and actual collections experience may differ from projected campaign results.

(h) Designations

All pledges designated to 501(c)(3) agencies are sent directly to those agencies or to federations for future distribution to member agencies.

(i) Property and Equipment

Property and equipment are recorded at cost or, in the case of donated items used in operations, at fair value on the date received. The Organization capitalizes all purchases and donated items with a cost or fair value in excess of \$1,000.

Depreciation of property and equipment is provided for by the use of the straight-line method. The estimated useful lives range from three to ten years for furniture and equipment. Leasehold improvements are amortized over the lesser of the estimated useful lives of leasehold improvements or the lease term. Property and equipment and the allowance for depreciation are relieved upon retirement or sale and the related gain or loss is included in the statements of activities.

(j) Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under the provisions of the Florida Statutes. The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. The Organization reports no unrelated business taxable income; however, such status is subject to final determination upon examination of the related income tax returns by the appropriate taxing authorities. The Organization has adopted the provisions of ASC 740 relating to *Accounting for Uncertainty in Income Taxes* and does not believe it has any material income tax exposure relating to uncertain tax positions. The Organization's income tax filings for the year ended June 30, 2013 and thereafter remain subject to examination.

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(1) Nature of Activities and Summary of Significant Accounting Policies - Continued

(k) Concentration of Credit Risk

The Organization has no financial instruments which subject it to off-balance-sheet risk. Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents, investments in debt securities and pledges receivable. The Organization maintains its cash balances with what management believes to be high-credit quality financial institutions. Management considers the credit-worthiness of issuers of debt securities as part of its overall investment evaluation and monitoring process. Credit risk related to pledges receivable is alleviated due to the large number of individual donors.

(l) Use of Estimates

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

(2) Investments

Investments, stated at market value, consist of the following at June 30, 2015 and 2014:

	2015		2014	
	Cost	Market	Cost	Market
Cash and money market funds	\$ 1,806,879	1,806,879	886,084	886,084
U.S. government and agency obligations	1,475,314	1,459,903	1,406,086	1,396,915
Mortgaged-backed securities	2,043,573	2,043,916	1,497,536	1,508,237
Corporate bonds	3,034,403	3,011,869	2,250,082	2,267,151
Equity mutual funds	470,321	455,345	-	-
Bond mutual funds	883,739	874,408	-	-
Exchange traded funds	11,242,534	12,597,918	15,059,151	16,869,858
	<u>\$ 20,956,763</u>	<u>22,250,238</u>	<u>21,098,939</u>	<u>22,928,245</u>

The Organization's investments in equity securities and corporate bonds are not concentrated in a single entity or in a few entities nor are there any specific industry concentrations. Investments include amounts, which have been permanently restricted by donors for endowment purposes.

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(2) **Investments - Continued**

Investment return consists of the following for the years ended June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Interest and dividends	\$ 487,657	398,357
Realized and unrealized gains	<u>40,200</u>	<u>2,311,266</u>
	527,857	2,709,623
Less: investment expenses	<u>(115,364)</u>	<u>(89,184)</u>
	<u>\$ 412,493</u>	<u>2,620,439</u>

Investment income includes earnings from certificates of deposit and the Community Foundation investment.

(3) **Community Foundation Investment**

The Organization has established a fund account with the Community Foundation of Tampa Bay, Inc. (Community Foundation) naming itself as the beneficiary. Under the terms of the fund agreement, the Community Foundation has not been granted variance power over the funds. Distributions may be made from the fund with approval from the United Way Board of Directors. The Organization did not receive any distributions from the fund in fiscal 2015 or 2014. Total investment income (loss) for the years ended June 30, 2015 and 2014 was (\$26,392) and \$161,547, respectively.

(4) **Charitable Remainder Trusts**

The Organization has been named as a remainder beneficiary under several charitable remainder trusts. Under one of the charitable remainder unitrust agreements, the Organization was also named the trustee. Under the terms of the trusts, quarterly distributions are paid to income beneficiaries over their lifetimes or over defined periods. Quarterly distributions range from actual earnings to fixed rates ranging from 6% to 7% of the fair market value of the trust assets as of the beginning of each year. Upon the death of income beneficiaries and donors, the remaining assets are available for the Organization's use. The portion of the trust attributable to the present value of the future benefits to be received by the Organization is recorded in the Statement of Activities as a temporarily restricted contribution in the period the trust is established and the Organization is notified of its existence. Assets held under the charitable remainder trust are included with investments in the accompanying Statement of Financial Position and are reported at their estimated fair value. Receivables under remainder trust agreements and the obligation under a remainder trust are also reported at their estimated fair values in the accompanying Statement of Financial Position.

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(5) Property and Equipment

Property and equipment at June 30, 2015 and 2014 consists of the following:

	2015	2014
Furniture and equipment	\$ 959,485	1,062,082
Leasehold improvements	956,107	704,435
	1,915,592	1,766,517
Less accumulated depreciation	(1,069,434)	(1,102,484)
	\$ 846,158	664,033

For the years ended June 30, 2015 and 2014, depreciation expense was \$182,463 and \$197,632, respectively.

(6) Gifted Facility

The Organization leases land from the School Board of Hillsborough County at a rental rate of \$1 per year. The lease was renewed during fiscal 2014 for a five year period. Gifted facility represents the present value of the excess of the aggregate fair rental value of the land lease over below market rent payments due over the remaining term of the lease.

Recognition of the fair value of this lease as of June 30, 2015 and 2014 is summarized below:

Fair value of gifted facility at July 1, 2013	\$	14,741
Recognition of fair value of gifted land lease for the year ended June 30, 2014		67,933
Recognition of rent expense for the year ended June 30, 2014		(22,269)
Fair value of gifted facility at June 30, 2014		60,405
Recognition of fair value of gifted land lease for the year ended June 30, 2015		881
Recognition of rent expense for the year ended June 30, 2015		(12,579)
Fair value of gifted facility at June 30, 2015	\$	48,707

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(7) Annuities Payable

The Organization is certified by the State of Florida to market and manage charitable gift annuity contracts. Under these contracts, a donor transfers assets to the Organization at the beginning of the contract and the Organization makes predetermined quarterly payments to the donor, or in certain cases donors' spouses, over their remaining lifetimes. Upon the donors' death, the remaining assets are available for the Organization's use. Annuities payable are stated at the actuarial present value of future cash flows expected to be paid to donors over their lifetimes. The discount rate used in computing the present value of annuities payable ranges from 1.72% to 2.39% as of June 30, 2015 and from .93% to 2.64% as of June 30, 2014.

State law requires that the Organization maintain a reserve fund in connection with its gift annuity program. The required amount to be maintained in the fund is based on a multiple of the actuarial present value of the related annuity obligations. At June 30, 2015, the Organization was in compliance with this requirement.

(8) Retirement Plan Expenses

The Organization sponsors a defined benefit pension plan. This noncontributory pension plan covers substantially all employees. Benefits are generally based on years of service and final average salary. The Organization's funding policy is to contribute annually an amount equal to a level percentage of the covered employees' salaries. The Organization uses a June 30 measurement date for this plan. The Organization has previously approved freezing the accrual of benefits under the plan effective June 30, 2006.

The following tables provide further information about the plan as of June 30, 2015 and 2014:

	2015	2014
Fair value of plan assets	\$ 1,723,754	1,666,338
Benefit obligation	(2,389,534)	(2,347,385)
Funded status	\$ (665,780)	(681,047)
Prepaid (accrued) benefit costs recognized in statements of financial position	\$ (665,780)	(681,047)
Benefit cost	74,639	73,014
Employer contributions	124,000	346,000
Benefits paid	73,779	50,094

The accumulated benefit obligation for the defined benefit pension plan was \$2,389,534 and \$2,347,385 at June 30, 2015 and 2014, respectively.

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(8) Retirement Plan Expenses - Continued

For the years ended June 30, 2015 and 2014, net periodic pension cost totaled \$74,639 and \$73,014, respectively.

Amounts recognized as a component of pension obligation and in unrestricted net assets, which have not yet been recognized as periodic pension cost consist solely of a net actuarial loss of \$722,051 at June 30, 2015 and a net actuarial loss of \$687,957 at June 30, 2014. A net gain of \$58,205 existing at June 30, 2015 is expected to be recognized as a component of periodic pension cost in the year ending June 30, 2016.

Assumptions

Assumptions used to determine the benefit obligation and net periodic benefit cost as of and for the years ended June 30, 2015 and 2014 are as follows:

	2015	2014
Discount rate	3.50%	3.50%
Rate of compensation increase	3.75%	3.75%
Expected rate of return on plan assets	4.50%	4.50%

The Organization's expected rate of return on plan assets is determined by the plan assets' historical long-term investment performance, current asset allocation, and estimates of future long-term returns by asset class.

Plan Assets

The fair values of the Organization's plan assets (equities are considered Level 1 fair value measurements and the fixed income and the insurance company general accounts are considered Level 3 fair value measurements) and the Organization's pension plan weighted-average asset allocations at June 30, 2015 and 2014 by asset category are as follows:

	2015		2014	
Equity	\$ 50,587	2.9%	\$ 47,122	2.8%
General account	1,673,167	97.1%	1,619,216	97.2%
	\$ 1,723,754	100.0%	\$ 1,666,338	100.0%

The Organization's investment policy for plan assets is to manage the portfolio to preserve principal and liquidity while maximizing the return on the investment portfolio through the full investment of available funds. Although changes in interest rates may affect the fair value of the fixed income portion of the investment portfolio and cause unrealized gains or losses, such gains or losses would not be realized unless the investments are sold.

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(8) **Retirement Plan Expenses - Continued**

The Expected Long-Term Rate of Return on Plan Assets assumption of 4.50% was selected in accordance with Actuarial Standards Board in Actuarial Standards of Practice No. 27 – Selection Economic Assumptions for Measuring Pension Obligations. Based on investment policy for the pension plan in effect as of the beginning of fiscal year, a best estimate range was determined for both the real rate of return (net of inflation and investment expense) and for inflation based on long term historical return on the applicable asset classes. An average inflation rate within the range equal to 3.0% was selected and added to the real rate of return range to arrive at a best estimate range of 4.09% - 5.01%. A rate of 4.50% which is within the best estimate range was selected.

Cash Flows

The Organization expects to make a contribution of approximately \$100,000 to its defined benefit pension plan in the fiscal year ending June 30, 2016. No plan assets are expected to be returned to the Organization during the year ending June 30, 2016.

The following pension benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

<u>Year Ending June 30,</u>	
2016	\$ 316,000
2017	154,000
2018	271,000
2019	69,000
2020	170,000
2021-2025	809,000

The Organization has also adopted a defined contribution 401(k) plan for the benefit of employees who are at least 21 years old and who have completed at least ninety days of service. Employees may contribute to the plan to the extent allowable by law. Effective January 1, 2014, the 401(k) plan was amended to require employer safe harbor matching contributions of 4%. Prior to this amendment, the Organization provided up to a 4% discretionary matching contribution for all participants. For the years ended June 30, 2015 and 2014, employer contributions were \$97,659 and \$99,080, respectively.

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(9) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets at June 30, 2015 and 2014 consist of the following:

	<u>2015</u>	<u>2014</u>
Future campaign pledges	\$ 46,586	106,911
Remainder trusts and other	959,347	800,053
Gifted facility - Sulphur Springs Resource Center	48,707	60,405
Unappropriated endowment earnings	4,062,790	4,291,215
Emergency relief fund	133,648	125,097
Sulphur Springs Resource Center Expansion	-	48,500
Potter Neighborhood Programs	44,395	87,748
Early Literacy & Youth Success Programs	-	152,593
Financial Stability Programs	230,559	192,584
	<u>\$ 5,526,032</u>	<u>5,865,106</u>

Permanently restricted net assets at June 30, 2015 and 2014 consist of the following:

	<u>2015</u>	<u>2014</u>
Donor endowments	\$ 3,498,538	3,488,538
Donor advised fund	400,000	400,000
Charitable remainder unitrust	135,168	131,814
	<u>\$ 4,033,706</u>	<u>4,020,352</u>

At June 30, 2015, donor endowments include \$2,181,507 of general endowments with no restrictions on the use of earnings and \$1,317,031 of named endowments which restrict the use of endowment earnings for specific purposes.

(10) Endowment Funds

The Organization's internally-controlled endowment net assets are comprised of investments held in various donor endowments, investments held under a donor advised fund, investments held under a charitable remainder unitrust agreement, and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(10) Endowment Funds - Continued

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the wishes of donors and state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment 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 endowment, (b) the original value of subsequent gifts to the permanent endowment, 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 Organization classifies investment earnings on endowments as a component of temporarily restricted net assets if not appropriated for expenditure in the period earned. Once investment earnings are appropriated for expenditure, the Organization reclassifies the amount appropriated as a component of unrestricted net assets.

Investment Return Objectives, Risk Parameters and Strategies

The Organization has adopted investment policies, approved by the Board of Directors. The policies stipulate that the endowment investments should be managed as a long-term goal designed to maximize the returns without exposure to undue risk, as defined herein. Whereas it is understood that fluctuating rates of return are characteristic of the securities markets, the greatest concern should be long-term appreciation of the assets and consistency of total portfolio returns. Recognizing that short-term market fluctuations may cause variations in the account performance, the Organization will pursue a strategy seeking to exceed a benchmark return of a target portfolio consisting of the following:

	<u>Cash and Equivalents</u>	<u>Fixed Income</u>	<u>Equities</u>
Operating reserves:			
Tampa area	9%	61%	30%
Sarasota area	7%	30%	63%
Named endowments	7%	30%	63%
Charitable gift annuities	15%	35%	50%
Donor advised fund	7%	30%	63%
Charitable remainder trusts	7%	30%	63%

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(10) Endowment Funds - Continued

Spending Policy

The Organization's spending policies allow for the distribution of assets for operating expenses as follows:

<u>Investment Class</u>	<u>Spending Policy</u>
Operating and capital reserves	5% annually of the average fair value of investments at March 31st of each of the previous three years.
Endowment assets:	
General and Board-Designated	Prohibited until endowment assets reach a value of \$10 million.
Named endowments	Actual income net of a small administrative fee.
Charitable gift annuity investments	Actuarially determined annuity payments due.
Donor advised funds	Actual earnings thereon net of a small administrative fee.
Charitable remainder unitrust assets	6% of fair value of investments as of each January 1st.

Endowment net asset composition by type of fund as of June 30, 2015 follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Board-designated endowment funds	\$ 6,645,973	-	-	6,645,973
Donor advised fund	(63,914)	-	400,000	336,086
Charitable remainder unitrust	99,055	-	135,168	234,223
Donor-restricted endowment funds	<u>3,148,662</u>	<u>4,062,790</u>	<u>3,498,538</u>	<u>10,709,990</u>
	<u>\$ 9,829,776</u>	<u>4,062,790</u>	<u>4,033,706</u>	<u>17,926,272</u>

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(10) Endowment Funds - Continued

Endowment net assets composition by type of fund as of June 30, 2014 follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Board-designated endowment funds	\$ 5,148,911	-	-	5,148,911
Donor advised fund	(57,676)	-	400,000	342,324
Charitable remainder unitrust	110,801	-	131,814	242,615
Donor-restricted endowment funds	<u>2,990,704</u>	<u>4,291,215</u>	<u>3,488,538</u>	<u>10,770,457</u>
	<u>\$ 8,192,740</u>	<u>4,291,215</u>	<u>4,020,352</u>	<u>16,504,307</u>

Changes in endowment net assets for the years ended June 30, 2015 and 2014 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Balance at July 1, 2014	\$ 8,192,740	4,291,215	4,020,352	16,504,307
Contributions	1,549,065	-	10,000	1,559,065
Net investment income	59,082	132,564	-	191,646
Net appreciation	164,869	58,784	3,354	227,007
Withdrawals	<u>(135,980)</u>	<u>(419,773)</u>	<u>-</u>	<u>(555,753)</u>
Balance at June 30, 2015	<u>\$ 9,829,776</u>	<u>4,062,790</u>	<u>4,033,706</u>	<u>17,926,272</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Balance at July 1, 2013	\$ 6,963,224	3,465,527	4,007,011	14,435,762
Contributions	420,245	-	-	420,245
Net investment income	235,676	76,105	-	311,781
Net appreciation	776,810	908,073	13,341	1,698,224
Withdrawals	<u>(203,215)</u>	<u>(158,490)</u>	<u>-</u>	<u>(361,705)</u>
Balance at June 30, 2014	<u>\$ 8,192,740</u>	<u>4,291,215</u>	<u>4,020,352</u>	<u>16,504,307</u>

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(11) Leases

The Organization leases office facilities and certain equipment under various operating leases. Rent expense was approximately \$579,000 and \$538,000 for the years ended June 30, 2015 and 2014, respectively.

The Organization is also obligated under two capital leases for office equipment that expire over the next four years. The gross amount of office equipment and related accumulated amortization recorded under the capital leases as of June 30, 2015 were \$124,995 and \$62,298, respectively. The gross amount of office equipment and related accumulated amortization recorded under the capital leases as of June 30, 2014 were \$124,995 and \$38,490 respectively. Amortization of assets held under the capital leases is included in depreciation expense. Interest expense recorded under the capital leases for the years ended June 30, 2015 and 2014 was \$3,788 and \$4,820, respectively.

Future minimum lease payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year and the present value of minimum capital lease payments as of June 30, 2015 are as follows:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>	<u>Operating Leases</u>	<u>Total</u>
2016	\$ 26,875	588,220	615,095
2017	26,875	596,944	623,819
2018	16,438	609,717	626,155
2019	935	625,126	626,061
2020	-	640,449	640,449
Thereafter	-	1,956,196	1,956,196
Total minimum lease payments	71,123	<u>5,016,652</u>	<u>5,087,775</u>
Less amount representing interest	<u>(4,741)</u>		
Present value of minimum capital lease payments	<u>\$ 66,382</u>		

(12) Concentration of Credit Risk

As stated previously, the Organization maintains its cash and cash equivalent balances with what management believes to be high credit quality financial institutions. The Organization's deposit balances exceeded Federal Deposit insurance limits by approximately \$3,479,000 and \$3,388,000 as of June 30, 2015 and 2014, respectively.

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(13) Fair Value Measurements

Financial instruments measured at fair value are classified and disclosed in the following categories:

- Level 1: Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level 1 are equities, corporate bonds, U.S. Treasury notes, real estate investment trusts, mutual funds, and money market funds.
- Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include agency obligations, mortgage backed securities, alternative investments, and certificates of deposit. The fair value of the Organization's beneficial interest in the Community Foundation of Tampa Bay (Community Foundation) is based on valuation information provided by the Community Foundation which is primarily derived from or corroborated by observable market data as it relates to the Community Foundation's underlying investments.
- Level 3: Valuation is based on unobservable inputs. The Organization's beneficial interest in charitable remainder trusts is considered a financial asset subject to the valuation hierarchy and has been classified as Level 3 since observable inputs are minimal. Fair values for annuities payable are determined by calculating the present value of expected cash flows over the expected term of the underlying agreements.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(13) Fair Value Measurements - Continued

Fair value of assets and liabilities measured on a recurring basis at June 30, 2015 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Money market funds	\$ 1,806,879	1,806,879	-	-
Debt securities:				
Corporate and foreign bonds	3,011,869	3,011,869	-	-
Fixed income mutual funds	874,408	874,408	-	-
CMOs & mortgaged-backed securities	2,043,916	-	2,043,916	-
U.S. government & agency obligations	1,459,903	1,145,335	314,568	-
	<u>7,390,096</u>	<u>5,031,612</u>	<u>2,358,484</u>	<u>-</u>
Mutual funds - equities	455,345	455,345	-	-
Exchange traded funds:				
Emerging markets equity	289,147	289,147	-	-
Intermediate bond	995,131	995,131	-	-
International equity	2,128,312	2,128,312	-	-
Short term bond	110,657	110,657	-	-
US large cap core	2,208,241	2,208,241	-	-
US large cap growth	2,152,563	2,152,563	-	-
US large cap value	2,110,594	2,110,594	-	-
US mid cap blend	353,393	353,393	-	-
US mid cap core	1,001,434	1,001,434	-	-
US small cap core	1,248,446	1,248,446	-	-
	<u>12,597,918</u>	<u>12,597,918</u>	<u>-</u>	<u>-</u>
Community Foundation investments	1,127,430	-	1,127,430	-
Receivable under remainder trusts	915,147	-	-	915,147
	<u>\$ 24,292,815</u>	<u>19,891,754</u>	<u>3,485,914</u>	<u>915,147</u>
Liabilities:				
Annuities payable	\$ 324,841	-	-	324,841
Obligation under remainder trust agreement	99,055	-	-	99,055
	<u>\$ 423,896</u>	<u>-</u>	<u>-</u>	<u>423,896</u>

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(13) Fair Value Measurements - Continued

Fair value of assets and liabilities measured on a recurring basis at June 30, 2014 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Money market funds	\$ 886,084	886,084	-	-
Debt securities:				
Corporate and foreign bonds	2,267,151	2,267,151	-	-
CMOs & mortgaged-backed securities	1,508,237	-	1,508,237	-
U.S. government & agency obligations	1,396,915	1,223,249	173,666	-
	5,172,303	3,490,400	1,681,903	-
Exchange traded funds:				
Alternative investments	916,375	-	916,375	-
Emerging markets bond	457,622	457,622	-	-
Emerging markets equity	221,856	221,856	-	-
High yield corp bond	602,498	602,498	-	-
Intermediate bond	1,391,780	1,391,780	-	-
International bond	462,399	462,399	-	-
International equity	2,654,123	2,654,123	-	-
Investment grade floating rate debt	297,801	297,801	-	-
Short term bond	110,266	110,266	-	-
US large cap core	311,262	311,262	-	-
US large cap growth	3,085,255	3,085,255	-	-
US large cap value	3,337,230	3,337,230	-	-
US mid cap blend	826,455	826,455	-	-
US mid cap core	838,482	838,482	-	-
US small cap core	1,356,454	1,356,454	-	-
	16,869,858	15,953,483	916,375	-
Community Foundation investments	1,153,822	-	1,153,822	-
Receivable under remainder trusts	765,659	-	-	765,659
	<u>\$ 24,847,726</u>	<u>20,329,967</u>	<u>3,752,100</u>	<u>765,659</u>
Liabilities:				
Annuities payable	\$ 361,664	-	-	361,664
Obligation under remainder trust agreement	110,801	-	-	110,801
	<u>\$ 472,465</u>	<u>-</u>	<u>-</u>	<u>472,465</u>

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(13) Fair Value Measurements - Continued

The following table sets forth a summary of changes in fair value for the years ended June 30, 2015 and 2014 for which the Organization has used Level 3 inputs to determine fair value:

	<u>Receivable under Remainder Trusts</u>	<u>Annuities Payable</u>	<u>Obligation under Remainder Trust</u>
Balance at July 1, 2013	\$ 700,470	383,603	114,287
Total gains/(losses) included in changes in net assets	79,789	32,183	10,698
Purchases, issues, sales and settlements:			
Purchases	-	-	-
Issues	-	-	-
Sales	-	-	-
Settlements	<u>(14,600)</u>	<u>(54,122)</u>	<u>(14,184)</u>
Balance at June 30, 2014	765,659	361,664	110,801
Total gains/(losses) included in changes in net assets	19,788	17,456	2,720
Purchases, issues, sales and settlements:			
Purchases	145,000	-	-
Issues	-	-	-
Sales	-	-	-
Settlements	<u>(15,300)</u>	<u>(54,279)</u>	<u>(14,466)</u>
Balance at June 30, 2015	<u>\$ 915,147</u>	<u>324,841</u>	<u>99,055</u>

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The Organization utilizes discounted cash flow methods to estimate the fair value of the receivable under remainder trusts, annuities payable and the obligation under remainder trust. Significant unobservable inputs as of June 30, 2015 include using discount rates ranging from 1.72% to 2.39% and life expectancy estimates for income beneficiaries which range from 2 to 10 years. Significant unobservable inputs as of June 30, 2014 include using discount rates ranging from .93% to 2.64% and life expectancy estimates for income beneficiaries which range from 3 to 10 years.

UNITED WAY SUNCOAST, INC.

Notes to Financial Statements - Continued

(14) Noncash Investing and Financing Activities

In fiscal 2014, the Organization financed the acquisition of certain leasehold improvements under a deferred lease incentive in the amount of \$143,500.

(15) Subsequent Events

The Organization has evaluated subsequent events through October 21, 2015, the date the financial statements were available for issuance.