

**TRIDENT UNITED WAY**  
**FINANCIAL REPORT**  
**JUNE 30, 2017 AND 2016**

**TRIDENT UNITED WAY**

**FINANCIAL REPORT**

**JUNE 30, 2017 AND 2016**

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Trident United Way  
North Charleston, South Carolina

***Report on the Financial Statements***

We have audited the accompanying financial statements of Trident United Way, which comprise the statements of financial position as of June 30, 2017 and 2016, 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.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Trident United Way as of June 30, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Hubbard Davis CPAs, LLC

Mount Pleasant, South Carolina  
September 15, 2017

**TRIDENT UNITED WAY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 3,000,055	\$ 266,391	\$ -	\$ 3,266,446
Short term investments	389,588	10,445	25,095	425,128
Accounts receivable	84,643	-	-	84,643
Unconditional promises to give:				
Trident United Way Campaign (net of allowance of \$603,333)	1,504,153	2,208,869	-	3,713,022
Other Pledge Receivables	-	168,400	-	168,400
Combined Federal Campaign (net of allowance of \$68,735)	-	473,124	-	473,124
Unconditional promises to give:	<u>1,504,153</u>	<u>2,850,393</u>	<u>-</u>	<u>4,354,546</u>
Prepaid expenses	153,303	-	-	153,303
Total Current Assets	<u>5,131,742</u>	<u>3,127,229</u>	<u>25,095</u>	<u>8,284,066</u>
Property, Plant and Equipment				
Land	490,000	-	-	490,000
Building and improvements	2,312,182	-	-	2,312,182
Equipment and software	241,180	-	-	241,180
Accumulated depreciation	(1,323,468)	-	-	(1,323,468)
Total Property, Plant and Equipment	<u>1,719,894</u>	<u>-</u>	<u>-</u>	<u>1,719,894</u>
Long Term Assets:				
Investments	9,982,390	102,299	582,592	10,667,281
<b>TOTAL ASSETS</b>	<u>\$ 16,834,026</u>	<u>\$ 3,229,528</u>	<u>\$ 607,687</u>	<u>\$ 20,671,241</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 184,781	\$ -	\$ -	\$ 184,781
Payroll liabilities	166,800	-	-	166,800
Deferred compensation	364,588	-	-	364,588
Campaign designations payable	-	388,263	-	388,263
Total Current Liabilities	<u>716,169</u>	<u>388,263</u>	<u>-</u>	<u>1,104,432</u>
<b>NET ASSETS</b>				
Unrestricted				
Undesignated	6,531,198	-	-	6,531,198
Designated by governing board	9,586,659	-	-	9,586,659
Total Unrestricted	<u>16,117,857</u>	<u>-</u>	<u>-</u>	<u>16,117,857</u>
Temporarily restricted	-	2,841,265	-	2,841,265
Permanently restricted	-	-	607,687	607,687
<b>TOTAL NET ASSETS</b>	<u>16,117,857</u>	<u>2,841,265</u>	<u>607,687</u>	<u>19,566,809</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 16,834,026</u>	<u>\$ 3,229,528</u>	<u>\$ 607,687</u>	<u>\$ 20,671,241</u>

See accompanying notes and independent auditors' report

**TRIDENT UNITED WAY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 1,920,769	\$ 270,511	\$ -	\$ 2,191,280
Short term investments	1,452,435	-	28,353	1,480,788
Accounts receivable	57,109	-	-	57,109
Unconditional promises to give:				
Trident United Way Campaign (net of allowance of \$591,844)	1,434,633	2,025,321	-	3,459,954
Other Pledge Receivables	-	266,850	-	266,850
Combined Federal Campaign (net of allowance of \$79,239)	-	538,099	-	538,099
Unconditional promises to give:	<u>1,434,633</u>	<u>2,830,270</u>	<u>-</u>	<u>4,264,903</u>
Prepaid expenses	139,873	-	-	139,873
Total Current Assets	<u>5,004,819</u>	<u>3,100,781</u>	<u>28,353</u>	<u>8,133,953</u>
Property, Plant and Equipment				
Land	490,000	-	-	490,000
Building and improvements	2,199,707	-	-	2,199,707
Equipment and software	241,564	-	-	241,564
Accumulated depreciation	(1,191,051)	-	-	(1,191,051)
Total Property, Plant and Equipment	<u>1,740,220</u>	<u>-</u>	<u>-</u>	<u>1,740,220</u>
Long Term Assets:				
Investments	8,309,166	79,474	538,698	8,927,338
<b>TOTAL ASSETS</b>	<u>\$ 15,054,205</u>	<u>\$ 3,180,255</u>	<u>\$ 567,051</u>	<u>\$ 18,801,511</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 75,520	\$ -	\$ -	\$ 75,520
Payroll liabilities	95,816	-	-	95,816
Deferred compensation	332,381	-	-	332,381
Campaign designations payable	-	446,258	-	446,258
Total Current Liabilities	<u>503,717</u>	<u>446,258</u>	<u>-</u>	<u>949,975</u>
<b>NET ASSETS</b>				
Unrestricted				
Undesignated	5,474,890	-	-	5,474,890
Designated by governing board	9,075,598	-	-	9,075,598
Total Unrestricted	<u>14,550,488</u>	<u>-</u>	<u>-</u>	<u>14,550,488</u>
Temporarily restricted	-	2,733,997	-	2,733,997
Permanently restricted	-	-	567,051	567,051
<b>TOTAL NET ASSETS</b>	<u>14,550,488</u>	<u>2,733,997</u>	<u>567,051</u>	<u>17,851,536</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 15,054,205</u>	<u>\$ 3,180,255</u>	<u>\$ 567,051</u>	<u>\$ 18,801,511</u>

See accompanying notes and independent auditors' report

**TRIDENT UNITED WAY**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>				
Campaign Revenue - Current Year				
Total current year campaign contributions	\$ 422,152	\$ 9,168,813	\$ -	\$ 9,590,965
Less donor designations	(422,152)	(1,097,652)	-	(1,519,804)
Less provision for uncollectible	-	(531,822)	-	(531,822)
Net Campaign Revenue - Current Year	<u>-</u>	<u>7,539,339</u>	<u>-</u>	<u>7,539,339</u>
Fall Campaign for Next Year	\$ -	\$ 5,297	\$ -	5,297
Social Innovation Board Contributions	-	42,000	-	42,000
Grants and Contracts	589,854	-	-	589,854
Other Contributions	143,052	30,000	-	173,052
Service Fees	79,098	-	-	79,098
Rental Income	217,270	-	-	217,270
Investment Income	905,557	13,269	71,543	990,369
Contributions Released from Restrictions	7,553,544	(7,522,637)	(30,907)	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b><u>9,488,375</u></b>	<b><u>107,268</u></b>	<b><u>40,636</u></b>	<b><u>9,636,279</u></b>
<b>EXPENSES</b>				
Program Services				
Community Investment	\$ 776,210	\$ -	\$ -	\$ 776,210
Health	1,136,191	-	-	1,136,191
Education	1,207,100	-	-	1,207,100
Financial Stability	1,746,748	-	-	1,746,748
Connecting the Community	826,942	-	-	826,942
Total Program Services	<u>5,693,191</u>	<u>-</u>	<u>-</u>	<u>5,693,191</u>
Supporting Services				
General and administrative	\$ 332,984	\$ -	\$ -	\$ 332,984
Building expenses	203,904	-	-	203,904
Fundraising	1,690,926	-	-	1,690,926
Total Support Services	<u>2,227,814</u>	<u>-</u>	<u>-</u>	<u>2,227,814</u>
<b>TOTAL EXPENSES</b>	<b><u>7,921,005</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>7,921,005</u></b>
INCREASE (DECREASE) IN NET ASSETS	1,567,370	107,268	40,636	1,715,274
Net Assets at Beginning of Year	14,550,488	2,733,997	567,051	17,851,536
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 16,117,857</u></b>	<b><u>\$ 2,841,265</u></b>	<b><u>\$ 607,687</u></b>	<b><u>\$ 19,566,809</u></b>

See accompanying notes and independent auditors' report

**TRIDENT UNITED WAY**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>				
Campaign Revenue - Current Year				
Total current year campaign contributions	\$ 408,784	\$ 9,151,903	\$ -	\$ 9,560,687
Less donor designations	(408,784)	(1,513,361)	-	(1,922,145)
Less provision for uncollectible	-	(662,360)	-	(662,360)
Net Campaign Revenue - Current Year	<u>-</u>	<u>6,976,182</u>	<u>-</u>	<u>6,976,182</u>
Fall Campaign for Next Year	-	4,742	-	4,742
Social Innovation Board Contributions	-	271,000	-	271,000
Grants and Contracts	509,913	15,000	-	524,913
Other Contributions	371,869	30,000	-	401,869
Service Fees	-	-	-	-
Rental Income	214,370	-	-	214,370
Investment Income	152,627	2,867	(8,028)	147,466
Miscellaneous Income	12,331	-	-	12,331
Contributions Released from Restrictions	8,425,891	(8,386,044)	(39,847)	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u><b>9,687,001</b></u>	<u><b>(1,086,253)</b></u>	<u><b>(47,875)</b></u>	<u><b>8,552,873</b></u>
<b>EXPENSES</b>				
Program Services				
Community Investment	\$ 881,295	\$ -	\$ -	\$ 881,295
Health	428,543	-	-	428,543
Education	2,452,337	-	-	2,452,337
Financial Stability	2,416,815	-	-	2,416,815
Connecting the Community	865,824	-	-	865,824
Total Program Services	<u>7,044,814</u>	<u>-</u>	<u>-</u>	<u>7,044,814</u>
Supporting Services				
General and administrative	\$ 301,247	\$ -	\$ -	\$ 301,247
Building expenses	222,597	-	-	222,597
Fundraising	1,490,067	-	-	1,490,067
Total Support Services	<u>2,013,911</u>	<u>-</u>	<u>-</u>	<u>2,013,911</u>
<b>TOTAL EXPENSES</b>	<u><b>9,058,725</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>9,058,725</b></u>
INCREASE (DECREASE) IN NET ASSETS	628,276	(1,086,253)	(47,875)	(505,852)
Net Assets at Beginning of Year	<u>13,922,212</u>	<u>3,820,250</u>	<u>614,926</u>	<u>18,357,388</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><b>\$ 14,550,488</b></u>	<u><b>\$ 2,733,997</b></u>	<u><b>\$ 567,051</b></u>	<u><b>\$ 17,851,536</b></u>

See accompanying notes and independent auditors' report



**TRIDENT UNITED WAY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2017**

	Program					Supporting Services				Total Expenses		
	Community Impact	Health	Education	Financial Stability	Connecting the Community	Total Programs	General and Administrative	Building	Total Admin		Fundraising	Total Support
<b>Expenses</b>												
Partner agency allocations	\$ -	\$ 966,975	\$ 961,975	\$ 621,746	\$ 48,897	\$ 2,599,593	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,599,593
Salaries & Benefits	509,752	138,220	189,704	667,345	361,928	1,866,949	229,548	41,480	271,028	1,092,086	1,363,114	3,230,063
Professional and contract services	101,785	12,348	9,676	51,938	294,223	469,970	25,858	5,680	31,538	195,414	226,952	696,922
Other agency grants	2,300	-	-	247,814	-	250,114	5,500	-	5,500	-	5,500	255,614
Occupancy	24,000	4,686	8,201	41,546	12,887	91,320	8,868	92,914	101,782	41,757	143,539	234,859
Meetings and conferences	60,155	2,023	1,409	15,143	7,877	86,607	20,145	-	20,145	77,672	97,817	184,424
Depreciation	25,732	2,501	2,501	19,295	8,994	59,023	12,052	56,107	68,159	30,018	98,177	157,200
Dues, subscriptions and publications	20,899	5,525	8,946	26,827	15,044	77,241	14,303	-	14,303	50,987	65,290	142,531
Advertising	5,706	-	2,935	16,690	29,800	55,131	(583)	-	(583)	59,688	59,105	114,236
Postage and printing	10,111	1,712	1,398	8,960	39,376	61,557	1,954	-	1,954	58,206	60,160	121,717
Supplies	5,318	968	782	16,259	1,914	25,241	823	2,404	3,227	26,103	29,330	54,571
Travel	4,957	134	17,379	7,459	1,896	31,825	4,851	-	4,851	24,112	28,963	60,788
Insurance	4,071	986	1,726	4,559	2,712	14,054	1,973	5,319	7,292	8,630	15,922	29,976
Miscellaneous	967	-	-	70	1,041	2,078	3,522	-	3,522	16,337	19,859	21,937
Bank service charges	-	-	-	-	-	-	3,148	-	3,148	8,608	11,756	11,756
Equipment	457	113	468	1,097	353	2,488	1,022	-	1,022	1,308	2,330	4,818
<b>Total Expenses</b>	<b>\$ 776,210</b>	<b>\$ 1,136,191</b>	<b>\$ 1,207,100</b>	<b>\$ 1,746,748</b>	<b>\$ 826,942</b>	<b>\$ 5,693,191</b>	<b>\$ 332,984</b>	<b>\$ 203,904</b>	<b>\$ 536,888</b>	<b>\$ 1,690,926</b>	<b>\$ 2,227,814</b>	<b>\$ 7,921,005</b>

See accompanying notes and independent auditors' report

**TRIDENT UNITED WAY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2016**

	Program					Supporting Services					Total Expenses	
	Community Impact	Health	Education	Financial Stability	Connecting the Community	Total Programs	General and Administrative	Building	Total Admin	Fundraising		Total Support
<b>Expenses</b>												
Partner agency allocations	\$ -	\$ 314,000	\$ 2,030,474	\$ 1,141,000	\$ -	\$ 3,485,474	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,485,474
Salaries & Benefits	644,816	80,209	213,019	577,389	475,864	1,991,297	204,115	59,549	263,664	906,350	1,170,014	3,161,311
Professional and contract services	67,924	13,046	122,742	69,613	271,641	544,966	14,146	8,345	22,491	181,115	203,606	748,572
Other agency grants	3,600	-	9,200	485,867	-	498,667	500	-	500	300	800	499,467
Occupancy	17,892	4,379	18,442	35,986	16,427	93,126	15,638	95,093	110,731	30,813	141,544	234,670
Meetings and conferences	53,920	1,606	8,281	8,659	18,083	90,549	16,565	-	16,565	68,880	85,445	175,994
Depreciation	25,060	3,919	6,074	24,674	11,630	71,357	7,718	47,118	54,836	27,969	82,805	154,162
Dues, subscriptions and publications	29,080	3,919	14,371	23,516	16,392	87,278	10,578	-	10,578	38,512	49,090	136,368
Advertising	10,000	-	-	9,756	8,508	28,264	2,180	-	2,180	104,380	106,560	134,824
Postage and printing	7,598	1,962	11,607	9,292	34,958	65,417	6,887	-	6,887	42,255	49,142	114,559
Supplies	8,341	1,331	8,010	9,965	4,821	32,468	772	759	1,531	30,818	32,349	64,817
Travel	2,849	10	1,734	15,761	2,592	22,946	5,854	-	5,854	28,170	34,024	56,970
Insurance	5,907	1,621	3,324	4,718	4,243	19,813	1,163	11,220	12,383	7,182	19,565	39,378
Miscellaneous	2,092	2,500	4,811	208	583	10,194	7,537	-	7,537	18,347	25,884	36,078
Bank service charges	-	-	-	-	-	-	4,814	-	4,814	4,845	9,659	9,659
Equipment	2,216	41	248	411	82	2,998	2,780	513	3,293	131	3,424	6,422
<b>Total Expenses</b>	<b>\$ 881,295</b>	<b>\$ 428,543</b>	<b>\$ 2,452,337</b>	<b>\$ 2,416,815</b>	<b>\$ 865,824</b>	<b>\$ 7,044,814</b>	<b>\$ 301,247</b>	<b>\$ 222,597</b>	<b>\$ 523,844</b>	<b>\$ 1,490,067</b>	<b>\$ 2,013,911</b>	<b>\$ 9,058,725</b>

See accompanying notes and independent auditors' report

**TRIDENT UNITED WAY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 1,715,274	\$ (505,852)
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	157,200	154,162
Realized/unrealized (gain) loss on assets	(990,369)	37,479
Cash restricted by donors or time	102,299	79,474
Provision for uncollectible pledges	531,822	662,360
(Increase) decrease in operating assets		
Accounts receivable	(27,534)	52,323
Unconditional promise to give:		
Trident United Way Campaign	(253,068)	435,864
Combined Federal Campaign	64,975	69,128
Other pledge receivables	98,450	(54,953)
Prepaid expenses	(13,430)	(14,078)
Increase (decrease) in operating liabilities		
Accounts payable	109,261	(21,265)
Payroll liabilities	70,984	16,266
Deferred compensation	32,207	73,536
Campaign designations payable	(57,995)	(64,292)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>1,540,076</b>	<b>920,152</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Leasehold improvements, equipment and software purchase	(136,874)	(93,763)
Proceeds from disposal of vehicle	-	17,845
Sale/purchase of investments, net	(328,036)	(601,410)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(464,910)</b>	<b>(677,328)</b>
 NET INCREASE IN CASH	 1,075,166	 242,824
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 2,191,280	 1,948,456
 <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	 <b>\$ 3,266,446</b>	 <b>\$ 2,191,280</b>

See accompanying notes and independent auditors' report

**TRIDENT UNITED WAY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Trident United Way (TUW) is a catalyst for measurable community transformation through collective impact in education, financial stability and health. TUW is committed to applying the collective impact discipline by bringing together various stakeholders, individuals and organizations, to create long-lasting social change. Our vision for the next five years is to create positive, sustainable system change designed to help keep students on track to graduate, to help families achieve financial stability and to help citizens gain tools to live healthy lives.

The following is a description of the Organization's program areas:

**Community Impact**

Community Impact works to strengthen our community by focusing on education, financial stability and health. These are the building blocks for a good life—a quality education that leads to a stable job, enough income to support a family and good health. We see these areas as integrated and work proactively and collaboratively to create long-lasting change in Berkeley, Charleston and Dorchester counties. The community change led by TUW is supported through hundreds of workplace giving campaigns, individual giving, corporate and foundation grants, federal and state grants, and fees for services.

**Strategic Learning and Evaluation 2016-2017**

The system described below was critical in the implementation of the execution of Year 1 of the investment process. Quarterly data dives, whereby program investment partners could review de-identified data of similar programs to discuss trends, challenges and best-practice solutions, as well as hear about tools and/or information to build capacity, strengthen partnerships and improve systems.

**Strategic Learning and Evaluation (SLES)**

In 2015, TUW created a Strategic Learning and Evaluation System. The SLES is a forward-looking, learning-oriented and adaptable system for data management, analysis, reporting and decision support intended to provide accurate, timely, and reliable data and information to inform program management, evaluation, planning and accountability. Trident United Way is committed to being a catalyst for *measurable* community transformation through collective impact, in education, financial stability and health. For this reason, a Learning and Evaluation department was created to manage this work.

As part of the SLES, TUW developed the following learning and evaluation vision statement:

*TUW is committed to a learning-oriented, transparent, consistent and cohesive system of evaluation to accelerate progress toward an educated, financially stable and healthy community. The SLES supports data-driven decision making, engages the community in the learning process and establishes accountability for the stewardship of community resources.*

**TRIDENT UNITED WAY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Social Solutions-Efforts to Outcomes (ETO)**

ETO is a web-based longitudinal tracking tool used by TUW in the areas of Education and Financial Stability. In the Prosperity Centers this means bridging the gap between services, programs and organizations working to help families become financially stable through collaboration and data sharing. In Education, the tool is used to track the progress of students academically and social-emotionally to understand if the services they are receiving are making positive impacts in these areas over time. ETO has dramatically improved efficiency across multiple organizations and helped TUW to adjust to service models, identify and replicate best practices, and report successes. It also helps the organization share data with multiple partners, as well as demonstrates impact to funders and donors.

**Partner Agency Investments**

Trident United Way invested approximately \$5.7 million in mission-related services in 2016-2017. The organization also processed approximately \$1.5 million in pass-through gifts designated by donors to other organizations, which are not vetted through the community investment process.

The investment processes are both open and competitive and closed and are guided by over a hundred volunteers, who decide which strategic investments are most likely to result in measurable change in the focus areas of education, financial stability and health. The investment processes are underpinned by three principles that guide all investments: fiscal responsibility, measurable results and alignment. Volunteers are trained by staff to invest community dollars in programs that measurably improve lives and align with TUW priorities.

Below are the three central community investments that continue to be part of the total investment portfolio:

**Collective Impact Investments (By Invitation Only, beginning in 2017-2018)**

- To prepare TUW and select Kindergarten Readiness network partners to execute catalytic collective impact projects
- To provide collective impact training and learning opportunities
- To affect community-level change by investing in catalytic, collective impact projects in TUW's areas of focus

**Education, Financial Stability and Health (EFSH) Program Investment (Open & Competitive)**

- To support and demonstrate measurable change in Education, Financial Stability and Health that contribute to bold community goals
- To assist partners in building capacity and sustainability to support transition to future collective impact funding

**Community Engagement Investment (Open & Competitive, began 2016-2017)**

- To assist partners to embrace engagement best practices in TUW areas of focus

**TRIDENT UNITED WAY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Health**

In 2015, TUV adopted the County Health Rankings & Roadmaps health framework, which defines health broadly and takes into account not only access to care and patterns of personal behavior, but also the surrounding environmental and socio-economic conditions and policies that shape and foster lifelong mental, physical and social well-being. In May 2016, TUV entered into a coaching partnership with County Health Rankings & Roadmaps. Through this opportunity, TUV's Guiding Team for Health will work with an expert coach to identify the most effective processes and approaches for broad-based impact on the health of individuals in the Tri-County.

**Education**

Trident United Way (TUV) supports programs and leads collaborative partnerships that aim to promote early readiness and intervention and eliminate academic performance gaps between the highest and lowest performing students in English Language Arts and Mathematics. To help reach our education goal, TUV leads several efforts. The first is the convening of the Kindergarten Readiness Network for the Tri-County Cradle to Career Collaborative, which prioritizes school readiness outcomes for children birth through age five. Secondly, TUV is working collaboratively with multiple school a district and community partners to launch a Reading by Third Literacy initiative, a new and innovative literacy investment fund with the goal of helping children achieve the benchmark of reading at grade-level by third grade and scaling effective practices.

**Links 2.0**

Following the release of findings from the comprehensive Links to Success evaluation, the Trident United Way Board of Directors approved three-year funding to support essential services, weekend feeding, mental health and financial stability to parents. The goal is to help principals and partners providing service to build structured relationships that allow them to make provisions to continue services after TUV funding ends in 2019.

**Financial Stability**

In 2010, the Chairs of Income and SafetyNet began to work together to better support the framework of Financial Stability. The integration of these two impact areas into one resulted in a model of change, which consists of interrelated steps that begins with addressing basic needs, followed by increasing basic skills, then increasing income and savings, and finally, gaining and sustaining assets.

Several coalitions work to support these efforts. The Safety Net Assistance Network (SNAN) is composed of program staff of over 200 agencies, churches and faith based organizations that provide basic needs and financial stability services. Their goal is to provide easy access to education classes to prevent a pattern of dependence on assistance. The Berkeley and Dorchester Round Tables are a coalition of organizations that focus on county-specific issues and also overlap with the SNAN.

**TRIDENT UNITED WAY**  
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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Initiatives that help support the Financial Stability framework include the AmeriCorps Financial Stability Project, Prosperity Centers in Berkeley and Dorchester Counties, SC Thrive-The Benefit Bank online application tool, CharityTracker and the Emergency Food and Shelter (EFSP) program. Additionally, integrated initiatives, such as Links to Success 2.0, support the global goals of the Financial Stability Impact Council.

**AmeriCorps Financial Stability Project**

The Financial Stability Project uses the Financial Stability model of change in hubs, which include Trident United Way Links to Success 2.0 sites (schools), partner agencies within the community that offer financial stability services, and the Prosperity Centers.

AmeriCorps members serve as Family Navigators in hub facilities and help individuals and families gain access to resources that mitigate financial or family crisis and support stability. Navigators help identify individuals who can participate in financial education courses offered in their hubs. They also assist individuals with identifying resources necessary to help them become financially stable, such as emergency assistance, access to benefits and educational/employment preparation opportunities. Finally, members help educate the greater community about poverty by conducting poverty simulations and volunteering their time at events and in community-based organizations that support financial stability.

**Berkeley and Dorchester Prosperity Centers**

The Prosperity Centers model is a collaborative, cost-sharing partnership that provides multiple services seamlessly in two, one-stop shops in Berkeley and Dorchester counties. Trident United Way manages the common operational system; core partner, Palmetto Goodwill focuses on employment and workforce activities; and Family Services (dba OriginSC) provides comprehensive financial literacy instruction and homeownership services. Other wrap-around service partners provide additional financial stability and skills-building services that help families become financially stable. This model not only ensures sustained, cost saving operations over time but also leverages established relationships of all collaborative partners to allow for expanded services for years to come. Centers use common tracking tools, CharityTracker and Efforts to Outcomes (both provided by Trident United Way), to ensure that client-level data is tracked with high fidelity and can be used to inform decision making and quality improvement. Through the Centers, thousands of clients are helped each year to address basic needs, increase basic skills, increase income and savings and ultimately, gain and sustain assets.

**Emergency Food and Shelter (EFSP) Program**

Funding for the Emergency Food and Shelter Program is based on the unemployment rate for the last twelve months in each county and is awarded annually. This funding is to be used for basic needs in specific areas of service. Funding priorities set by the Local Board are Food, Utility Assistance, Mass Feeding and Mass Shelter and Rent/Mortgage Assistance.

**TRIDENT UNITED WAY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**CharityTracker**

CharityTracker is a web-based tracking tool TUV provides free of charge to the tri-county community. It is used by TUV funded partners, community agencies and faith based organizations to track and share client service information, such as participation in GED, Work Keys Certification, financial literacy classes, budgeting, etc. The tool provides accountability for those being served, as well as, agencies and partners working collectively to move individuals into financial stability. A bulletin feature allows partners to post services provided, such as classes and events, and alerts allow partners to post high needs so that both traditional and non-traditional resources can be distributed quickly and efficiently to people in need.

**The Benefit Bank of South Carolina, A program of SC Thrive**

The Benefit Bank (TBB) is a free, web-based, counselor-assisted program that simplifies and centralizes the process of applying for many state and federal benefits for low- and moderate income individuals and families. Trident United Way administers TBB in over seventy sites in partnership with SC Thrive in Berkeley, Charleston and Dorchester Counties. TUV's coordinated effort to engage all of its financial stability partners to use this "one-stop-shop" has reduced the amount of time needed to apply for benefits and mitigated issues associated with maintaining benefits and transportation by reducing client visits to multiple locations.

**Connecting the Community**

**Strategic Volunteer Engagement**

The Strategic Volunteer Engagement impact area, formerly Connecting the Community, was created in 2015 in response to data collected from a series of assessments to determine the value for TUV volunteer initiatives, such as Day of Caring, and additional needs of the community related to volunteer engagement. The result was a structure that will support both internal and external volunteer engagement and build and internal infrastructure to provide supportive volunteer matching between TUV funded partners and corporate partners; create a pipeline of volunteers for TUV in all levels of engagement; and support the strategic growth of Day of Caring.

TUV promotes a culture of volunteerism by engaging its corporate partners and individual volunteers through valuable TUV service opportunities. TUV utilizes volunteers as thought leaders on committees and councils, as well as community investment decision makers.

**211**

211 is an information hotline that provides resources and referrals using live call-center representatives. Trident United Way contracts with the United Way of Association of SC, which manages the call center and provides up-to-date, timely, local information about resources in the tri-county to tri-county callers. 211 is also part of the Suicide Prevention network and there are trained representatives who manage callers in crisis situations.



**TRIDENT UNITED WAY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Communication**

Most of Trident United Way’s work involves developing and funding programs that achieve measurable results, fostering collaborations, and strengthening systems that lead to greater effectiveness and efficiency. To that end, the organization dedicates resources to educating the community about human service issues and potential solutions. T UW is dedicated to communicating with the community and reporting to donors about the measurable difference their contributions are making in people’s lives. In 2016 and 2017, T UW partnered with area media providers for time, space, visits and views.

Additionally, Trident United Way collaborated with Chernoff Newman, a marketing communications firm in Charleston, SC, which provided pro bono services to Trident United Way in the form of marketing consulting, message management, media placement, graphic design and video services.

Communication with constituents is a year-round effort, starting with quarterly email newsletters. T UW updates its website (tuw.org) weekly and posts new information daily on its Facebook (Facebook.com/TridentUnitedWay), and Twitter (Twitter.com/TridentUWay) accounts. Through these various tools, T UW aims to engage with audiences and report on its work to donors, potential donors, and the community-at-large and to raise awareness for the community resources available to those in need and seeking the support of those who have the ability to help.

Trident United Way also provides limited technical public relations and marketing assistance to funded partners. T UW has helped partner organizations by sharing best practices for marketing and communications, knowledge building of media tracking tools, develop marketing plans for events and connect with news media.

**Fundraising**

Development staff work throughout the community to cultivate the time, talent and treasure required to do the work explained in the previous sections. The money raised for the work of T UW comes from a combination of revenue sources, and the campaign portion of the revenue consists of approximately 24,000 donors in a combination of 260 workplace campaigns (approximately 85% of the campaign) and individual giving outside of a workplace campaign (approximately 15% of the campaign).

**Cornerstone Program**

Corporate contributions from the partnering companies, as well as other generated income such as rental income and transfers from our board endowment, cover all of our fundraising and administrative expenses, so that 100% of employee and individual gifts go to helping community members.

**Benefactor Program**

Our corporate benefactors are those companies who provide sponsorship for events above and beyond their corporate contributions. Sponsorship recognition includes mentions on printed materials, at events, and on our Day of Caring t-shirts.

**TRIDENT UNITED WAY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Hurricane Matthew Recovery**

On October 7-8, 2016, the Tri-County area was inundated with effects of Hurricane Matthew and experienced historic high tides at the same time resulting in significant and widespread flooding. In the wake of this weather event, TUW activated and coordinated the efforts of our existing network of partners and systems to jumpstart the hurricane recovery effort.

The Tri-County Hurricane Matthew Recovery Fund was established by Trident United Way in partnership with The Post and Courier. Together, our community raised \$206,121 thanks to more than 75 individual donors, companies, agencies, foundations and a \$100,000 matching gift from the TUW operating reserve fund.

These gifts directly enabled 17 nonprofit agencies and faith organizations to serve local hurricane victims with: food and water, household and cleaning supplies, emergency and temporary housing, home and roof repairs, mold prevention, and utility assistance.

**General and Administrative**

Uniquely in the non-profit sector, Trident United Way allows its donors to self-direct their gifts to the 501(c)(3) charities of their choosing. After accounting for its administrative costs, Trident United Way distributes every designated dollar it collects.

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

The Organization prepares financial statements in accordance with FASB Accounting Standards Codification (ASC) 958-205; the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

In accordance with FASB ASC 958-205, Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds, the Organization has determined it is subject to the Uniform Prudent Management of Institutional Funds Act of 2006, which requires the Organization to classify a portion of a donor-restricted endowment fund of perpetual duration as permanently restricted net assets, unless stated otherwise in the gift instrument by the donor. These gift instruments are donor-restricted assets until appropriated for expenditure by the Organization.

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Revenue Recognition**

In accordance with Standards FASB ASC 958-50, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions. Contributions received and unconditional promises to give are measured at their fair value and are reported as increases in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash equivalents include money market funds and certificates of deposit valued equally with cash.

**Investments**

Investments consist primarily of assets invested in marketable equity and debt securities, alternative investments, commodities, and money-market accounts. The Organization accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the statements of financial position. Fair value of marketable equity and debt securities is based on quoted market prices. Alternative investments are stated at the fair value of their underlying assets and allocated to the investors in proportion to the investor's ownership percentage. The realized and unrealized gain or loss on investments is reflected in the changes in net assets.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

**Investment Policy**

The Organization's investment policy intends for the Organization to invest in assets that would produce results exceeding the investment's purchase price and incur a significant yield of return, while assuming a moderate level of investment risk. The Organization expects its Endowment Fund, over time, to provide a reasonable rate of return. To satisfy the long-term rate-of-return objective, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on marketable equity and debt securities and money-market accounts to achieve its long-term return objectives within prudent risk constraints.

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Accounts Receivable**

Management considers all accounts receivable fully collectible based on experience. Accordingly, no allowance has been established for these accounts.

**Land, Buildings, and Equipment**

Land, buildings, and equipment purchased are recorded at cost. The Organization capitalizes all expenditures for property and equipment in excess of \$1,000 with a useful life greater than one year. Improvements or betterments of a permanent nature are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The costs of assets retired or otherwise disposed of, and the related accumulated depreciation, are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposals are credited or charged to operations currently. Land, buildings, and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, from 3 to 40 years.

**Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are those whose use by Trident United Way has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by Trident United Way in perpetuity.

**Public Support and Pledges**

Annual campaigns are conducted to raise support for operations and allocations to participating agencies. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence or nature of any donor restrictions.

Pledges are recorded when the agency is notified of the pledge, and allowances are provided for amounts estimated to be uncollectible. Bequests are recorded as income at the time the agency has an established right to the bequest and the proceeds are measurable. An allowance for doubtful accounts is recorded based on management's historical collection information. Management uses a five year historical trend and then adjusts judgmentally.

**Functional Allocation of Expenses**

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Organization providing those services.

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Income Tax Status**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax.

The Financial Accounting Standards Board issued guidance on accounting for uncertainty in income taxes. Management evaluated the Organization's tax positions and concluded that the Organization had maintained its tax exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. The Organization could be subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**Fair Value of Financial Instrument**

Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures* defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. ASC 820 is effective for the organization's financial assets and liabilities for the years ended June 30, 2017 and 2016. The estimated fair value amounts for specific groups of financial instruments are presented within the footnotes. Cash, accounts receivable, unconditional promises to give, accounts payable and accrued expenses are stated at cost, which approximates fair value, due to their short term to maturity.

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE B – INVESTMENTS**

Long term investments consist of board designated, temporarily and permanently restricted assets managed by Bank of America US Trust. The Organization also has an account in which donated stock is deposited and then liquidated shortly after receiving. Short term investments consist of undesignated assets managed by Schwab Investment Advisors. All investments are stated at fair value. Investments were comprised of the following as of June 30:

	<u>As of June 30, 2017</u>		<u>As of June 30, 2016</u>	
	<u>FMV</u>	<u>Cost</u>	<u>FMV</u>	<u>Cost</u>
Certificates of Deposit	\$ 1,933,592	\$ 1,933,592	\$ 1,812,669	\$ 1,812,669
Money Market and Cash	98,612	98,477	563,133	410,148
Government Money Market	233,870	233,845	557,272	557,265
Fixed Income	561,441	561,676	517,370	507,718
Mutual Fund – Corp. Bond	1,918,210	1,979,108	1,357,359	1,132,913
Securities and security portfolios	6,346,684	4,720,480	5,600,323	4,480,467
	<u>\$ 11,092,409</u>	<u>\$ 9,527,178</u>	<u>\$10,408,126</u>	<u>\$ 8,901,180</u>

Maturities for the above listed investments are listed below:

	<u>As of June 30, 2017</u>	<u>As of June 30, 2016</u>
<u>Maturity Range in Years</u>		
3 months - 1 year	\$ 425,126	\$ 1,480,790
1 - 5 years	428,894	414,269
5-10 years	838,609	898,085
10 years and beyond	1,134,886	657,300
Mutual Fund – Corp. Bond	1,918,210	1,357,359
Securities and security portfolios	<u>6,346,684</u>	<u>5,600,323</u>
Total Investments	<u>\$ 11,092,409</u>	<u>\$ 10,408,126</u>

Investment earnings are as follows for the years ending June 30:

	<u>2017</u>	<u>2016</u>
Dividends and interest income	\$ 261,356	\$ 258,706
Investment fees	(74,548)	(73,761)
Gross realized gains from sale of trading securities	316,206	111,634
Net unrealized holding gains (losses)	487,355	(149,113)
Net investment income	<u>\$ 990,369</u>	<u>\$ 147,466</u>

**TRIDENT UNITED WAY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE C – UNCONDITIONAL PROMISES TO GIVE AND ALLOWANCE**

Promises to give have not been discounted for the Trident United Way and Combined Federal Campaign as the campaign runs for only one year. The non-campaign pledges have not been discounted because the discount is inconsequential. Total unconditional promises to give consist of the following as of June 30:

	<b>Trident United Way Campaign</b>	
	<b>2017</b>	<b>2016</b>
Beginning balance	\$ 3,459,954	\$ 3,895,818
Commitments made	4,213,925	5,209,126
Payments made	(3,357,524)	(5,053,146)
Balance before allowance	4,316,355	4,051,798
Allowance for uncollectible	(603,333)	(591,844)
Ending balance	<u>\$ 3,713,022</u>	<u>\$ 3,459,954</u>

	<b>Combined Federal Campaign</b>	
	<b>2017</b>	<b>2016</b>
Beginning balance	\$ 538,099	\$ 607,227
Commitments made	541,860	524,757
Payments made	(538,100)	(514,646)
Balance before allowance	541,859	617,338
Allowance for uncollectible	(68,735)	(79,239)
Ending balance	<u>\$ 473,124</u>	<u>\$ 538,099</u>

	<b>Other Pledge Receivables</b>	
	<b>2017</b>	<b>2016</b>
Beginning balance	\$ 266,850	\$ 211,897
Commitments made	-	246,000
Payments made	(98,450)	(191,047)
Ending balance	<u>\$ 168,400</u>	<u>\$ 266,850</u>

As of June 30, 2017, the other pledge receivables were due as follows:

In less than one year	\$ 83,400
One to five years	85,000
	<u>\$ 168,400</u>

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE C – UNCONDITIONAL PROMISES TO GIVE AND ALLOWANCE – Continued**

An allowance for doubtful accounts is maintained based on management's internal reserve policies. Management estimate of pledges that would not be collected is 7% for the years ended June 30, 2017 and 2016.

**NOTE D - SUMMARY OF FAIR VALUE EXPOSURE**

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.).

Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).

Following is a description of the valuation methodologies used for asset measurement at fair value:

Money market funds: Valued at amortized cost which approximate fair value.

Bonds: Valued at the closing price reported in the active market in which the bond is traded or based on yields currently available on comparable securities of issuers with similar credit ratings.

Certificates of deposit: Valued at fair value discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

Mutual funds: valued using the Net Asset Value (NAV) based on the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market.

Equities: Valued at the closing price reported in the active market in which the individual securities is traded.

There have been no changes in the methodologies used at June 30, 2017 and 2016.

The preceding methods described may produce a fair value calculation that may not be indicative net realizable value or reflective of future fair values. Furthermore, although the organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.



**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE D - SUMMARY OF FAIR VALUE EXPOSURE – Continued**

The following tables set forth by level, within the fair value hierarchy, the organization's assets at fair value at June 30, 2017 and 2016:

<b>Description</b>	<b>June 30, 2017</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Certificates of Deposit	\$ -	\$ 1,933,592	\$ -	\$ 1,933,592
Money Market and Cash	98,612	-	-	98,612
Government Money Market	233,870	-	-	233,870
Bonds	-	561,441	-	561,441
Mutual Fund - Corporate Bond	1,918,210	-	-	1,918,210
Securities and security portfolios	6,346,684	-	-	6,346,684
<b>Total assets at fair value</b>	<b>\$ 8,597,376</b>	<b>\$ 2,495,033</b>	<b>\$ -</b>	<b>\$ 11,092,409</b>

  

<b>Description</b>	<b>June 30, 2016</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Certificates of Deposit	\$ -	\$ 1,812,670	\$ -	\$ 1,812,670
Money Market	563,132	-	-	563,132
Government Money Market	557,272	-	-	557,272
Bonds	-	517,370	-	517,370
Mutual Fund - Corporate Bond	1,357,359	-	-	1,357,359
Securities and security portfolios	5,600,323	-	-	5,600,323
<b>Total assets at fair value</b>	<b>\$ 8,078,086</b>	<b>\$ 2,330,040</b>	<b>\$ -</b>	<b>\$ 10,408,126</b>

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE E – LAND, BUILDINGS AND EQUIPMENT**

Land, buildings and equipment for the years ended June 30, 2017 and 2016 consist of the following:

	<b>Beginning Balance July 1, 2016</b>	<b>Additions</b>	<b>Disposition</b>	<b>Ending Balance June 30, 2017</b>
Land	\$ 490,000	\$ -	\$ -	\$ 490,000
Building and improvements	\$ 2,199,707	124,917	(12,442)	2,312,182
Equipment	\$ 241,564	11,958	(12,342)	241,180
Vehicle	\$ -	-	-	-
	<u>2,931,271</u>	<u>136,875</u>	<u>(24,784)</u>	<u>3,043,362</u>
Less accumulated depreciation	<u>(1,191,051)</u>	<u>(157,200)</u>	<u>24,783</u>	<u>(1,323,468)</u>
	<u><u>\$ 1,740,220</u></u>	<u><u>\$ (20,325)</u></u>	<u><u>\$ (1)</u></u>	<u><u>\$ 1,719,894</u></u>

  

	<b>Beginning Balance July 1, 2015</b>	<b>Additions</b>	<b>Disposition</b>	<b>Ending Balance June 30, 2016</b>
Land	\$ 490,000	\$ -	\$ -	\$ 490,000
Building and improvements	2,115,893	83,814	-	2,199,707
Equipment	237,293	9,950	(5,679)	241,564
Vehicle	29,000	-	(29,000)	-
	<u>2,872,186</u>	<u>93,764</u>	<u>(34,679)</u>	<u>2,931,271</u>
Less accumulated depreciation	<u>(1,053,200)</u>	<u>(148,484)</u>	<u>10,633</u>	<u>(1,191,051)</u>
	<u><u>\$ 1,818,986</u></u>	<u><u>\$ (54,720)</u></u>	<u><u>\$ (24,046)</u></u>	<u><u>\$ 1,740,220</u></u>

**NOTE F – EMPLOYEE BENEFITS**

**401K Plan**

The Organization has established a 401K Plan covering substantially all of the employees of the Organization. Participants in the 401K Plan may elect to make voluntary before-tax contributions based on a percentage of their pay, subject to certain limitations set forth in the Internal Revenue Code of 1986, as amended.

As part of a total compensation package review, the Organization modified its 401K Plan contributions during the year ended June 30, 2017. Due to limitations of a safe harbor plan, the modifications were done in phases, with the first modifications effective July 1, 2016 and the remaining modifications effective January 1, 2017. The Organization contributions, as a percentage of employee's gross pay, under each time period from July 1, 2015 through June 30, 2017 follow.

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**NOTE F - EMPLOYEE BENEFITS – Continued**

<u>Organization Contributions</u>	<u>July 1, 2015</u>	<u>July 1, 2016</u>	<u>January 1, 2017</u>
Non-contributory safe harbor	3%	3%	0%
Discretionary profit sharing	3% - 7%	0%	0%
Discretionary match	0% - 2%	0% - 2%	0%
Matching safe harbor	0%	0%	0% - 4%
Non-contributory discretionary	0%	0%	1%
Total Organization Contribution	<u>6% - 12%</u>	<u>3% - 5%</u>	<u>1% - 5%</u>

During the years ending June 30, 2017 and 2016 total match, discretionary, and safe harbor contributions expense was \$79,873 and \$159,527 respectively.

**Deferred Compensation**

The Organization provides deferred compensation to key employees. The assets are owned by the Organization until certain provisions of the plan are met by the employees. Deferred compensation liability for the years ended June 30, 2017 and 2016 were \$364,587 and \$332,381.

**NOTE G – BOARD DESIGNATED NET ASSETS**

The Board of Directors has designated certain net assets and set aside an amount of cash equal to these designations. These accounts are reported at the funded amounts designated as of June 30, 2017 and 2016 are as follows:

<u>Designated Purposes</u>	<u>2017</u>	<u>2016</u>
Land, Building & Equipment	\$ 1,719,894	\$ 1,740,220
Building reserve	520,406	482,569
Emergency reserve	2,614,072	2,318,969
Endowment	4,732,287	4,533,840
	<u>\$ 9,586,659</u>	<u>\$ 9,075,598</u>

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**NOTE H – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes and periods as of June 30, 2017 and 2016:

<u>Temporarily Restricted Purposes</u>	<u>Beginning Balance July 1, 2016</u>	<u>Contributions Income &amp; Receipts</u>	<u>Released from Restrictions</u>	<u>Inter-fund Transfers</u>	<u>Ending Balance June 30, 2017</u>
TUW Campaign	\$ 1,747,684	\$ 6,758,602	\$ (6,631,015)	\$ 30,907	\$ 1,906,178
Combined Federal Campaign	575,481	237,122	(184,762)	-	627,841
Other, net	410,832	172,032	(275,618)	-	307,246
<b>Total</b>	<b>\$ 2,733,997</b>	<b>\$ 7,167,756</b>	<b>\$ (7,091,395)</b>	<b>\$ 30,907</b>	<b>\$ 2,841,265</b>

  

<u>Temporarily Restricted Purposes</u>	<u>Beginning Balance July 1, 2015</u>	<u>Contributions Income &amp; Receipts</u>	<u>Released from Restrictions</u>	<u>Inter-fund Transfers</u>	<u>Ending Balance June 30, 2016</u>
TUW Campaign	\$ 2,795,762	\$ 6,761,313	\$ (7,849,238)	\$ 39,847	\$ 1,747,684
Combined Federal Campaign	660,789	200,839	(286,147)	-	575,481
Other, net	363,699	337,639	(290,506)	-	410,832
<b>Total</b>	<b>\$ 3,820,250</b>	<b>\$ 7,299,791</b>	<b>\$ (8,425,891)</b>	<b>\$ 39,847</b>	<b>\$ 2,733,997</b>

**NOTE I – PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets are comprised of the following as of June 30, 2017 and 2016:

<u>Permanently Restricted Purposes</u>	<u>Beginning Balance July 1, 2016</u>	<u>Contributions Income &amp; Receipts</u>	<u>Released from Restrictions</u>	<u>Ending Balance June 30, 2017</u>
Lane Tocqueville Legacy Circle	\$ 567,051	\$ 71,543	\$ (30,907)	\$ 607,687
	<u>\$ 567,051</u>	<u>\$ 71,543</u>	<u>\$ (30,907)</u>	<u>\$ 607,687</u>

  

<u>Permanently Restricted Purposes</u>	<u>Beginning Balance July 1, 2015</u>	<u>Contributions Income &amp; Receipts</u>	<u>Released from Restrictions</u>	<u>Ending Balance June 30, 2016</u>
Lane Tocqueville Legacy Circle	\$ 614,926	\$ (8,028)	\$ (39,847)	\$ 567,051
	<u>\$ 614,926</u>	<u>\$ (8,028)</u>	<u>\$ (39,847)</u>	<u>\$ 567,051</u>

**TRIDENT UNITED WAY**  
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**NOTE J - LEASES**

The Organization rents part of the building under long- term lease contracts. Rental income is used exclusively to maintain the building so that no donor funds need to be utilized for this purpose.

Estimated future rental income under the current leases as of June 30, 2017:

Years Ended June 30:		
2018	\$	209,560
2019		129,037
2020		31,102

**NOTE K – CREDIT RISK**

Financial instruments that potentially subject the Organization to credit risk consist principally of cash at financial institutions and investments. At times, the balances in cash accounts may be in excess of FDIC insurance limits. The unlimited coverage is separate from, and in addition to, the insurance coverage provided for a depositor's other accounts held at an FDIC-insured bank. Management continuously monitors the Organization's balances at financial institutions and invests excess operating cash in short-term investments.

Trident United Way maintains its cash accounts at various local banks. The cash in these accounts is guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank at June 30, 2017 and 2016. At June 30, 2017 and 2016, total cash held by the banks totaled \$3,451,135 and \$2,692,857 of which \$2,608,490 and \$1,868,034 were unsecured respectively.

Cash (money market fund) in an investment account is held in safekeeping at Bank of America (the Firm). The cash in this account is held in the trust department of Bank of America and is not insured by the Securities Investor Protection Corporation (SIPC) or FDIC coverage. The Firm is insured under the enterprise-wide insurance program of Bank of America. These programs include insurance coverage under a fidelity bond and errors and omissions policies. These policies each have limitations of \$100 million per occurrence. At June 30, 2017 and 2016, the total cash held by the Firm for Trident United Way was \$300,060 and \$634,463, respectively.

Additionally, cash (money market fund) is held by Schwab Investment Advisors and is covered by SIPC up to \$500,000 as well as additional insurance protection maintained by Schwab. At June 30, 2017 and 2016, the total cash and cash equivalents held by Schwab for Trident United Way was \$22,424 and \$152,780, respectively.

**TRIDENT UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE L - RELATED PARTY TRANSACTIONS**

For the year ended June 30, 2016, one of the banks that the Organization used for certain deposit accounts and as a 401(k) plan manager employs a Board of Directors member as key staff. In addition, this Board of Director member is also a member of the Finance Committee. The 401(k) plan manager was changed to a non-related organization effective July 1, 2016. Amounts paid to the bank as a fee for the 401(k) plan were \$8,949 for the year ended 2016.

Two Board of Directors members are key staff at a bank that the Organization uses for certain deposit accounts and has holdings in as part of its investments. In addition, one of these Board Members is also a member of the Finance Committee and both of these Board Members are members of the Investment Committee. Amounts held as deposits and investments total \$265,741 and \$241,759 as of June 30, 2017 and 2016, respectively.

For the year ended June 30, 2016, a Board of Directors and Finance Committee member works as a key staff for the real estate company that handles the rental of excess space in the Organization's building and provides building management services. The real estate company gets a commission when new leases are signed and receives a monthly fee for building management services. The total paid to the real estate company was \$14,462 for building management services and commissions for the year ended June 30, 2016.

Two Board of Directors members are key staff of a local newspaper and an advertising company. These companies are utilized for advertising purposes. The advertising company was paid a total of \$8,045 and \$54,730 for the years ending June 30, 2017 and 2016, respectively. The newspaper was paid a total of \$30,154 and \$38,492 for the years ended June 30, 2017 and 2016, respectively.

One Board of Directors member is a key staff at a College that the Organization used to host an event. The total paid to the College was \$44,034 for the year ended June 30, 2017.

One Board of Directors, Investment and Executive Committee member is a key staff at an investment company that the Organization uses to manage certain deposit accounts. Amounts held as deposits total \$1,863,371 and \$1,873,106 as of June 30, 2017 and 2016, respectively.

**NOTE M – SUBSEQUENT EVENTS**

In accordance with ASC 855, the Organization evaluated subsequent events through the report date, the date these financial statements were issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.