

***United Way of Enid and Northwest Oklahoma, Inc.***  
***Enid, Oklahoma***

***REPORT ON AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION***

***For the Year Ended December 31, 2017***

***SAUNDERS & ASSOCIATES, PLLC***  
***Certified Public Accountants***

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UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.  
Enid, Oklahoma

TABLE OF CONTENTS

December 31, 2017

|  | <u>Page</u> |
|--|-------------|
| Independent Auditor's Report.....      | 1           |
| FINANCIAL STATEMENTS                   |             |
| Statement of Financial Position.....   | 3           |
| Statement of Activities.....           | 4           |
| Statement of Functional Expenses.....  | 5           |
| Statement of Cash Flows.....           | 6           |
| Notes to the Financial Statements..... | 7           |

# *Saunders & Associates, PLLC*

*Certified Public Accountants*

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
United Way of Enid and Northwest Oklahoma, Inc.

We have audited the accompanying financial statements of United Way of Enid and Northwest Oklahoma, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 United Way of Enid and Northwest Oklahoma, Inc.'s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the United Way of Enid and Northwest Oklahoma, Inc.'s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Enid and Northwest Oklahoma, Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited United Way of Enid and Northwest Oklahoma, Inc.'s December 31, 2016 financial statements and our report dated February 28, 2017, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Saunders & Associates, PLLC*

SAUNDERS & ASSOCIATES, PLLC  
Certified Public Accountants  
Ada, Oklahoma

March 29, 2018

## FINANCIAL STATEMENTS

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.  
Enid, Oklahoma

STATEMENT OF FINANCIAL POSITION

December 31, 2017  
(With Comparative Totals as of December 31, 2016)

|   | 2017                | 2016                |
|---|---------------------|---------------------|
| <u>ASSETS</u>                           |                     |                     |
| Cash and cash equivalents               | \$ 325,023          | \$ 265,522          |
| Investments                             | 675,294             | 640,704             |
| Unconditional promises to give          | 411,166             | 378,517             |
| Less allowance for cancellations        | (72,725)            | (70,000)            |
| Equipment                               | 24,373              | 24,373              |
| Accumultated depreciation               | (24,268)            | (24,178)            |
| <b>TOTAL ASSETS</b>                     | <b>\$ 1,338,863</b> | <b>\$ 1,214,938</b> |
| <u>LIABILITIES AND NET ASSETS</u>       |                     |                     |
| Liabilities:                            |                     |                     |
| Accounts payable                        | \$ 866              | \$ 1,234            |
| Payroll liabilities                     | 4,073               | 5,883               |
| Allocations payable                     | 517,474             | 471,779             |
| Total Liabilities                       | 522,413             | 478,896             |
| Net Assets:                             |                     |                     |
| Permanently restricted                  | 0                   | 0                   |
| Temporarily restricted                  | 0                   | 0                   |
| Unrestricted:                           |                     |                     |
| Designated -                            |                     |                     |
| Building Capital                        | 60,898              | 60,898              |
| Emergency Reserves                      | 50,000              | 50,000              |
| Undesignated                            | 705,552             | 625,144             |
| Total Net Assets                        | 816,450             | 736,042             |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>\$ 1,338,863</b> | <b>\$ 1,214,938</b> |

\* The accompanying notes are an integral part of the financial statements

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.  
Enid, Oklahoma

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017  
(With Comparative Totals as of December 31, 2016)

|   | <u>Unrestricted</u><br><u>Net Assets</u> | <u>Temporarily</u><br><u>Restricted</u><br><u>Net Assets</u> | <u>2017</u><br><u>Total</u> | <u>2016</u><br><u>Total</u> |
|---|--|--|-----------------------------|-----------------------------|
| <u>REVENUES AND SUPPORT</u>   |  |  |                             |                             |
| Contributions   | \$ 731,792                               | \$ 0   | \$ 731,792                  | \$ 773,990                  |
| Allowance for cancellations   | (30,000)                                 | 0  | (30,000)                    | (35,000)                    |
| Special events  | 70,220                                   | 0  | 70,220                      | 63,741                      |
| Less costs of special events  | (27,593)                                 | 0  | (27,593)                    | (38,548)                    |
| Coach-a-Kid program   | 2,384                                    | 0  | 2,384                       | 13,030                      |
| Less costs of Coach-a-Kid Program   | (2,559)                                  | 0  | (2,559)                     | (4,927)                     |
| Americorps revenue  | 10,500                                   | 0  | 10,500                      | 9,847                       |
| Other   | 0  | 0  | 0                           | 0                           |
| Net assets released from restrictions -<br>Satisfaction of restriction requirements | 0  | 0  | 0                           | 0                           |
| Total revenues and support  | 754,744                                  | 0  | 754,744                     | 782,133                     |
| <u>EXPENSES</u>   |  |  |                             |                             |
| Program services:   |  |  |                             |                             |
| Grants to agencies and others   | 534,705                                  | 0  | 534,705                     | 446,950                     |
| Community support services  | 101,829                                  | 0  | 101,829                     | 103,536                     |
| Americorps program  | 25,095                                   | 0  | 25,095                      | 30,051                      |
| Supporting services:  |  |  |                             |                             |
| Admin. and fundraising  | 91,023                                   | 0  | 91,023                      | 99,796                      |
| Total Expenses  | 752,652                                  | 0  | 752,652                     | 680,333                     |
| Increase (decrease) in net assets before<br>other income and losses                 | 2,092                                    | 0  | 2,092                       | 101,800                     |
| <u>OTHER INCOME AND LOSSES</u>  |  |  |                             |                             |
| Cancellation of prior year Venture Grants   | 0  | 0  | 0                           | 2,987                       |
| Realized gain (loss) on investments   | 0  | 0  | 0                           | (682)                       |
| Unrealized gain (loss) on Investments   | 67,986                                   | 0  | 67,986                      | 10,273                      |
| Investment earnings, net of expenses  | 10,330                                   | 0  | 10,330                      | 6,515                       |
| Increase (decrease) in net assets   | 80,408                                   | 0  | 80,408                      | 120,893                     |
| Net assets, beginning   | 736,042                                  | 0  | 736,042                     | 615,149                     |
| NET ASSETS, ENDING  | \$ 816,450                               | \$ 0   | \$ 816,450                  | \$ 736,042                  |

\* The accompanying notes are an integral part of the financial statements.

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.  
Enid, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2017  
(With Comparative Totals as of December 31, 2016)

|                                 | Program Services       |                                  |                  | Total<br>Program<br>Services | Admin.           | Fundraising      | Total<br>2017     | Total<br>2016     |
|---------------------------------|------------------------|----------------------------------|------------------|------------------------------|------------------|------------------|-------------------|-------------------|
|                                 | Grants<br>to<br>Others | Community<br>Support<br>Services | Americorps       |                              |                  |                  |                   |                   |
| <b>EXPENSES</b>                 |                        |                                  |                  |                              |                  |                  |                   |                   |
| Grants to agencies and others   | \$ 534,705             | \$ 0                             | \$ 0             | \$ 534,705                   | \$ 0             | \$ 0             | \$ 534,705        | \$ 446,950        |
| Salaries and wages              | 0                      | 63,000                           | 25,095           | 88,095                       | 23,177           | 23,177           | 134,449           | 129,236           |
| Payroll taxes                   | 0                      | 4,994                            | 0                | 4,994                        | 2,434            | 2,434            | 9,862             | 9,938             |
| Employee benefits               | 0                      | 11,772                           | 0                | 11,772                       | 2,272            | 2,272            | 16,316            | 14,286            |
| Retirement contributions        | 0                      | 0                                | 0                | 0                            | 710              | 709              | 1,419             | 0                 |
| Professional fees               | 0                      | 0                                | 0                | 0                            | 17,513           | 0                | 17,513            | 29,057            |
| Supplies                        | 0                      | 0                                | 0                | 0                            | 2,122            | 2,122            | 4,244             | 4,276             |
| Telephone                       | 0                      | 0                                | 0                | 0                            | 1,628            | 1,627            | 3,255             | 3,081             |
| Postage and shipping            | 0                      | 0                                | 0                | 0                            | 764              | 764              | 1,528             | 2,504             |
| Insurance                       | 0                      | 4,840                            | 0                | 4,840                        | 0                | 0                | 4,840             | 4,840             |
| Equipment maintenance & repairs | 0                      | 1,689                            | 0                | 1,689                        | 0                | 0                | 1,689             | 1,759             |
| Printing                        | 0                      | 0                                | 0                | 0                            | 287              | 287              | 574               | 625               |
| Travel/training                 | 0                      | 0                                | 0                | 0                            | 1,486            | 0                | 1,486             | 2,140             |
| Conferences and meetings        | 0                      | 1,857                            | 0                | 1,857                        | 0                | 0                | 1,857             | 4,319             |
| IT and software licenses        | 0                      | 0                                | 0                | 0                            | 5,148            | 0                | 5,148             | 5,053             |
| Miscellaneous expenses          | 0                      | 532                              | 0                | 532                          | 0                | 0                | 532               | 999               |
| Dues and subscriptions          | 0                      | 10,145                           | 0                | 10,145                       | 0                | 0                | 10,145            | 10,896            |
| Discretionary giving            | 0                      | 3,000                            | 0                | 3,000                        | 0                | 0                | 3,000             | 6,941             |
| Depreciation                    | 0                      | 0                                | 0                | 0                            | 90               | 0                | 90                | 153               |
| Bad debt expense                | 0                      | 0                                | 0                | 0                            | 0                | 0                | 0                 | 3,880             |
| <b>TOTAL EXPENSES</b>           | <b>\$ 534,705</b>      | <b>\$ 101,829</b>                | <b>\$ 25,095</b> | <b>\$ 661,629</b>            | <b>\$ 57,631</b> | <b>\$ 33,392</b> | <b>\$ 752,652</b> | <b>\$ 680,933</b> |

\* The accompanying notes are an integral part of the financial statements.



UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.  
Enid, Oklahoma

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2017  
(With Comparative Totals as of December 31, 2016)

|  | 2017       | 2016       |
|--|------------|------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u>  |            |            |
| Increase (decrease) in net assets  | \$ 2,092   | 101,800    |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: |            |            |
| Depreciation   | 90         | 153        |
| (Increase) decrease in pledges receivable  | (32,649)   | (110,404)  |
| (Increase) decrease in allowance for cancellation  | 2,725      | 5,000      |
| Increase (decrease) in accounts payable  | (368)      | (1,041)    |
| Increase (decrease) in payroll liabilities payable   | (1,810)    | 433        |
| Increase (decrease) in venture grants & contracts payable  | 25,729     | (73,370)   |
| Increase (decrease) in allocations authorized  | 19,966     | 10,279     |
| Net cash from operating activities   | 15,775     | (67,150)   |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>  |            |            |
| Acquisition/disposition of investments   | (34,590)   | (59,871)   |
| Purchase of fixed assets   | 0          | 0          |
| Gain/loss on investments   | 67,986     | (682)      |
| Interest earnings  | 16,154     | 11,776     |
| Investment fees  | (5,824)    | (5,261)    |
| Net cash from investing activities   | 43,726     | (54,038)   |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>  | 0          | 0          |
| Net increase (decrease) in cash  | 59,501     | (121,188)  |
| Cash and cash equivalents, beginning   | 265,522    | 386,710    |
| CASH AND CASH EQUIVALENTS, ENDING  | \$ 325,023 | \$ 265,522 |

\* The accompanying notes are an integral part of the financial statements.

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.  
Enid, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization**

United Way of Enid and Northwest Oklahoma, Inc. (United Way) is a nonprofit organization whose purpose is to impact the community by identifying, prioritizing and facilitating the meeting of human service needs. It accomplishes this purpose by raising funds and allocating them to various human service agencies and programs and by collaborating with the business, government, and non-profit sectors.

**Public Support and Revenue**

Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. The majority of the promises to give are received from a broad base of Enid and Northwest Oklahoma contributors as a result of the annual campaign. An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year-end.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Income Taxes and Uncertain Tax Positions**

Income Tax Status – United Way of Enid and Northwest Oklahoma, Inc. qualifies as an organization exempt from income taxes under Section 501(c)(3) of the *Internal Revenue Code* and is subject to a tax on income from any unrelated business, as defined by Section 509(a)(1) of the Code. United Way currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

United Way has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return only when it is determined that the income tax position will more-likely-than-not be sustained upon examinations by taxing authorities. United Way has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. United Way believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on their financial condition, results of operations, or cash flows. Accordingly, United Way has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2017.

Federal and state income tax statutes dictate that tax returns filed in any of the previous three reporting periods remain open to examination. Currently, United Way has no open examinations with the Internal Revenue Service or the Oklahoma Tax Commission.

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.  
Enid, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**

The financial statements of United Way are prepared using the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Financial Statement Presentation**

United Way is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The organization has no permanently restricted or temporarily restricted net assets.

**Comparative Financial Statements**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with United Way's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, demand deposits, and certificates of deposit maintained at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposits are carried at cost. Bank balances at year-end are categorized as follows to give an indication of the level of risk assumed by United Way of Enid and Northwest Oklahoma, Inc.

| <u>Category</u>   | <u>Carrying<br/>Amount</u> |
|---|----------------------------|
| 1) Insured or collateralized with securities held by the organization or by its agent in organization's name. | \$ 440,205                 |
| 2) Collateralized with securities held by the pledging financial institution's trust department.              | 0                          |
| 3) Uncollateralized   | <u>0</u>                   |
| TOTAL BANK BALANCES   | <u>\$ 440,205</u>          |

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.  
Enid, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

**NOTE 2: INVESTMENTS**

United Way has the following investments:

- A 24-month certificate of deposit in the amount of \$132,318 which bears an interest rate of 1.6%. Maturity date is December 4, 2019.

- Investment account with a local bank in the amount of \$176,299. The account's portfolio consists of:

|                    |                   |
|--------------------|-------------------|
| Balance Funds      | \$ 25,840         |
| Cash Equivalents   | 175               |
| Equity Funds       | 95,025            |
| Fixed Income Funds | <u>55,259</u>     |
| Total              | <u>\$ 176,299</u> |

- A beneficial interest in assets held by others which consists of funds transferred from United Way to the Enid Community Foundation for Excellence dba Cherokee Strip Community Foundation, (the Foundation), and funds transferred to the Foundation to be used by United Way for events coordinated with the Oklahoma Center for Non-profits. Current year activity in the Agency funds held by the Foundation on behalf of United Way of Enid and N.W. Okla. consisted of the following at December 31, 2017.

|                           | United Way of<br>Enid &<br>NW Oklahoma | United Way/OK<br>Center for<br>Nonprofits | <u>Total</u>      |
|---------------------------|--|---|-------------------|
| Balance December 31, 2016 | \$ 310,187                             | \$ 2,425                                  | \$ 312,612        |
| Principal Deposits        | 0                                      | 0   | 0                 |
| Distributions             | 0                                      | 0   | 0                 |
| Earnings, Net of Expenses | 9,219                                  | 105                                       | 9,324             |
| Unrealized Gain (Loss)    | <u>44,598</u>                          | <u>143</u>                                | <u>44,741</u>     |
| Balance December 31, 2017 | <u>\$ 364,004</u>                      | <u>\$ 2,673</u>                           | <u>\$ 366,677</u> |

Investment expenses on these funds equaled \$5,823 for the year ended December 31, 2017 and \$5,261 for the year ended December 31, 2016.

**Donor-Designated Endowments**

In addition, the Foundation receives donations designated for United Way by other donors. The Foundation, however, has the authority to distribute those donations as they see fit; therefore, they are not reflected in United Way's financial statements. Endowment funds held by the Foundation for the benefit of United Way equaled \$39,524 at December 31, 2017 and \$35,975 at December 31, 2016. The Foundation has been granted variance power. The corpus of the funds may not be withdrawn; however, income distributed to United Way of Enid and Northwest Oklahoma, Inc. by the funds may be used for any purpose. The interest in the endowment funds is recorded in the financial statements in accordance with generally accepted accounting principles and relevant funding agreements.

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.  
Enid, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE 2: INVESTMENTS, CONTINUED

**Endowment Investment and Spending Policies**

The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The primary objective of the investments will be to provide for long-term growth of principal and income without undue exposure to risk enabling the Foundation to make grants on a continuing and reasonably consistent basis. Therefore, the focus is on consistent long-term capital appreciation, with income generation as a secondary consideration. The Foundation targets a diversified asset allocation that places an emphasis on U.S. Treasury securities and equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds, for grant making and administration. The current spending policy is to distribute an amount not to exceed 4% of a moving three-year average of the fair value of the endowment funds. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through investment return.

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

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
|                                  | <u>2017</u>      | <u>2016</u>      |
| Donor-restricted endowment funds | <u>\$ 39,524</u> | <u>\$ 35,975</u> |

NOTE 3: FAIR VALUE MEASUREMENT

The definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable.

SAS 157 defines fair value as the amount that would be received from the sale of an asset or paid for the transfers of a liability in an orderly transaction between market participants, i.e. an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs.

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 spread and credit risk).

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

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.  
Enid, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

**NOTE 3: FAIR VALUE MEASUREMENT, CONTINUED**

Fair value of assets measured at December 31, 2017 and 2016 are as follows:

|                        | 2017<br><u>Total</u> | Quoted<br>Prices in<br>Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Total<br>Gains<br>(Losses) |
|------------------------|----------------------|--|---|--|----------------------------|
| Certificate of Deposit | \$ 132,318           | \$ 132,318   | \$ 0  | \$ 0   | \$ 0                       |
| Money Market Account   | 175                  | 175  | 0   | 0  | 0                          |
| Balanced Funds         | 25,840               | 25,840   | 0   | 0  | 1,590                      |
| Equity Funds           | 95,025               | 95,025   | 0   | 0  | 13,464                     |
| Fixed Income           | 55,259               | 55,259   | 0   | 0  | 8,191                      |
| Endowment Funds        | <u>366,677</u>       | <u>366,667</u>   | <u>0</u>  | <u>0</u>   | <u>44,741</u>              |
| Total                  | <u>\$ 675,294</u>    | <u>\$ 675,294</u>  | <u>\$ 0</u>   | <u>\$ 0</u>  | <u>\$ 67,986</u>           |

|                        | 2016<br><u>Total</u> | Quoted<br>Prices in<br>Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Total<br>Gains<br>(Losses) |
|------------------------|----------------------|--|---|--|----------------------------|
| Certificate of Deposit | \$ 174,711           | \$ 174,711   | \$ 0  | \$ 0   | \$ 0                       |
| Money Market Account   | 736                  | 736  | 0   | 0  | 0                          |
| Balanced Funds         | 23,204               | 23,204   | 0   | 0  | ( 535)                     |
| Equity Funds           | 76,076               | 76,076   | 0   | 0  | 2,666                      |
| Bond Funds             | 53,364               | 53,364   | 0   | 0  | 890                        |
| Endowment Funds        | <u>312,613</u>       | <u>312,613</u>   | <u>0</u>  | <u>0</u>   | <u>7,252</u>               |
| Total                  | <u>\$ 640,704</u>    | <u>\$ 640,704</u>  | <u>\$ 0</u>   | <u>\$ 0</u>  | <u>\$ 10,273</u>           |

**NOTE 4: FIXED ASSETS**

Purchase of equipment with useful lives exceeding one year are capitalized at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, estimated at 3 to 7 years.

|  |                                 |                                   |  |
|--|---------------------------------|-----------------------------------|--|
| Equipment<br><u>12/31/16</u><br><u>\$ 24,373</u> | <u>Additions</u><br><u>\$ 0</u> | <u>Retirements</u><br><u>\$ 0</u> | Equipment<br><u>12/31/17</u><br><u>\$ 24,373</u> |
|--|---------------------------------|-----------------------------------|--|

Depreciation expense equaled \$90 and \$153 for 2017 and 2016, respectively, and total accumulated depreciation equaled \$24,268 at December 31, 2017 and \$24,178 at December 31, 2016.

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.  
Enid, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE 5: FUNCTIONAL ALLOCATION OF EXPENSES

The statement of functional expenses presents the costs of raising funds and allocating them to the various service agencies and programs in Enid and Northwest Oklahoma on a functional basis. Accordingly, certain costs have been allocated among program and supporting services.

NOTE 6: ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The most significant estimate in the financial statements relates to pledges receivable which is based on amounts committed to by businesses and individuals and experience in collecting on past pledges, as well as an analysis of the current economic condition overall. The allowance for cancellations has been established at approximately 5% of total pledges for the campaign year, which is consistent with United Way of Enid and Northwest Oklahoma, Inc.'s cancellation average over the past ten years and is consistent with United Way National standards. Management believes that the current allowance is sufficient based on prior history.

NOTE 7: CONCENTRATIONS OF CREDIT RISK DUE TO TEMPORARY CASH INVESTMENTS AND PROMISES TO GIVE

Financial instruments that potentially subject United Way to concentrations of credit risk consist principally of temporary cash investments and promises to give receivables. United Way places its temporary cash investments with numerous financial institutions and limits the amount of credit exposure at any one financial institution. Concentrations of credit risk with respect to promises to give receivables are limited due to the large number of contributors and the differences in industries they represent. In addition, an allowance account has been established to mitigate the risk related to uncollectible pledges. As of December 31, 2017, United Way had no significant concentrations of credit risk.

NOTE 8: PROMISES TO GIVE

United Way conducts annual fund raising campaigns for allocation to participating agencies in the subsequent year. The promises to give at December 31, are unconditional and due as follows:

|   | <u>2017</u>       | <u>2016</u>       |
|---|-------------------|-------------------|
| Receivable in less than one year          | \$ 411,166        | \$ 378,517        |
| Pledges receivable in one to two years    | 0                 | 0                 |
| Less Allowances for Uncollectible Pledges | <u>( 72,725)</u>  | <u>( 70,000)</u>  |
| Net Receivables                           | <u>\$ 338,441</u> | <u>\$ 308,517</u> |

UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.  
Enid, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE 9: IN-KIND DONATIONS

United Way is the recipient of donated office space and utilities which are provided by OnviSource. The estimated value of these facilities is \$11,000.

NOTE 10: RETIREMENT PLAN

United Way's employees participate in a Simple IRA plan. Under the Simple IRA plan, United Way contributes 3% of the employees' gross wages. Contributions made by United Way on behalf of employees equaled \$3,070 on a gross payroll of \$128,035 in 2017 and \$3,028 on a gross payroll of \$129,235 in 2016.

NOTE 11: GRANTS AUTHORIZED BUT UNPAID

Grants authorized but unpaid at year-end are reported as liabilities. The following is a list of allocations and grants to qualifying tax-exempt organizations authorized and payable at year-end.

| <u>Annual Allocations:</u>                | <u>2017</u>       | <u>2016</u>       |
|---|-------------------|-------------------|
| Loaves and Fishes                         | \$ 25,000         | \$ 0              |
| Salvation Army                            | 33,322            | 31,500            |
| YWCA                                      | 58,803            | 57,000            |
| Red Cross                                 | 9,207             | 7,500             |
| Girl Scouts                               | 4,000             | 3,750             |
| Boy Scouts                                | 28,669            | 27,000            |
| Enid Metro Commission                     | 8,500             | 8,100             |
| Hedges Regional Speech and Hearing Center | 27,060            | 25,200            |
| Community Development Support Association | 50,000            | 47,500            |
| Retired Senior Volunteer Program          | 30,303            | 28,500            |
| YMCA                                      | 51,280            | 49,400            |
| Booker T. Washington Community Center     | 41,823            | 40,500            |
| Consumer Credit Counseling                | 7,000             | 6,300             |
| Garfield County Child Advocacy            | 40,000            | 38,700            |
| Catholic Charities                        | 20,918            | 29,021            |
| Youth & Family Services                   | 55,860            | 54,000            |
| Lincoln Academy                           | 0                 | 3,000             |
| CDSA – PAT                                | <u>25,729</u>     | <u>14,808</u>     |
| Total Allocations Payable                 | <u>\$ 517,474</u> | <u>\$ 471,779</u> |



UNITED WAY OF ENID AND NORTHWEST OKLAHOMA, INC.  
Enid, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE 12: COMPENSATED ABSENCES

United Way of Enid and Northwest Oklahoma, Inc. does not accrue a liability for compensated absences. Due to the limited number of personnel, management does not feel that any such liability would be material to the financial statements.

NOTE 13: SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 29, 2018, which is the date the financial statements were available to be issued.