

**UNITED WAY OF CHARLOTTE COUNTY, INC.**

**PORT CHARLOTTE, FLORIDA**

**AUDITED FINANCIAL STATEMENTS**

**MARCH 31, 2015 AND 2014**

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Fred B. Dees, C.P.A.  
Fred B. Dees, Jr., C.P.A.

**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors  
United Way of Charlotte County, Inc.  
Port Charlotte, Florida**

We have audited the accompanying financial statements of **United Way of Charlotte County, Inc.**, which comprise of the statement of financial position as of **March 31, 2015 and 2014**, 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 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 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. According, 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.

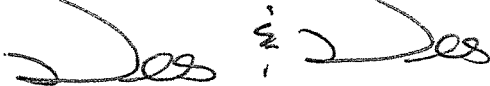
United Way of Charlotte County, Inc.

July 20, 2015

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **United Way of Charlotte County, Inc.** as of **March 31, 2015 and 2014**, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to be "D. Dees", with a small "i" above the second "e".

DEES & DEES, C.P.A.'s, P.A.

Port Charlotte, Florida

July 20, 2015

**FINANCIAL STATEMENTS**

**UNITED WAY OF CHARLOTTE COUNTY, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE FISCAL YEARS ENDED MARCH 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Cash and cash equivalents	\$ 352,707	\$ 119,929
Rent receivable	-	1,070
Pledges receivable – net allowance for uncollectible pledges	285,050	301,443
Prepaid insurance	1,525	1,681
Endowment fund investments	<u>352,490</u>	<u>338,972</u>
<b>Total Current Assets</b>	<b><u>991,772</u></b>	<b><u>763,095</u></b>
<b><u>Noncurrent Assets</u></b>		
Property and equipment – net of accumulated depreciation	<u>560,903</u>	<u>580,646</u>
<b>Total Noncurrent Assets</b>	<b><u>560,903</u></b>	<b><u>580,646</u></b>
<b>Total Assets</b>	<b><u>\$ 1,552,675</u></b>	<b><u>\$ 1,343,741</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts and taxes payable	\$ 8,894	\$ 6,195
Accrued agency allocations	275,173	324,135
Grants payable (Note 12)	295,653	4,695
Current maturities of long-term debt	<u>20,166</u>	<u>18,964</u>
<b>Total Current Liabilities</b>	<b><u>599,886</u></b>	<b><u>353,989</u></b>
<b><u>Long Term Liabilities</u></b>		
Long-term debt – net of current maturities	<u>388,215</u>	<u>406,077</u>
<b>Total Long Term Liabilities</b>	<b><u>388,215</u></b>	<b><u>406,077</u></b>
<b>Total Liabilities</b>	<b>988,101</b>	<b>760,066</b>
<b><u>Net Assets</u></b>		
Unrestricted assets	545,751	499,595
Temporarily restricted	<u>18,823</u>	<u>84,080</u>
<b>Total Net Assets</b>	<b><u>564,574</u></b>	<b><u>583,675</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 1,552,675</u></b>	<b><u>\$ 1,343,741</u></b>

Read Independent Auditors' Report

The accompanying notes are an integral part of this statement.

UNITED WAY OF CHARLOTTE COUNTY, INC.  
PORT CHARLOTTE, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEARS ENDED MARCH 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CHANGES IN UNRESTRICTED NET ASSETS		
<u>REVENUES:</u>		
Contributions	\$ 651,884	\$ 631,227
Adjustments to allowance for uncollectible pledges	(2,087)	(15,000)
Grants from local governments (Note 12)	911,957	320,653
Donated services	79,410	31,010
Investment return, net	13,518	2,871
Other income	6,245	2,032
Rental income	<u>1,000</u>	<u>6,465</u>
Total Unrestricted Revenues	<u>1,661,927</u>	<u>979,258</u>
 NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of program restrictions	<u>295,257</u>	<u>156,460</u>
Total Unrestricted Revenues and Reclassifications	<u>1,957,184</u>	<u>1,135,718</u>
 <u>EXPENSES:</u>		
Program services	1,726,800	1,002,288
Management and general	129,804	102,765
Fundraising	<u>54,424</u>	<u>44,944</u>
Total Expenses	<u>1,911,028</u>	<u>1,149,997</u>
Change in Unrestricted Net Assets	<u>46,156</u>	<u>(14,279)</u>
 CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions	230,000	180,000
Net assets released from restrictions	<u>(295,257)</u>	<u>(156,460)</u>
Change in Temporarily Restricted Net Assets	<u>(65,257)</u>	<u>23,540</u>
 CHANGE IN NET ASSETS	(19,101)	9,261
 NET ASSETS AT THE BEGINNING OF FISCAL YEAR	<u>583,675</u>	<u>574,414</u>
 NET ASSETS AT THE END OF FISCAL YEAR	<u>\$ 564,574</u>	<u>\$ 583,675</u>

Read Independent Auditors' Report  
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**UNITED WAY OF CHARLOTTE COUNTY, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2015**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Totals</u>
<b>COMPENSATION AND RELATED EXPENSES</b>				
Salaries	\$ 68,679	\$ 31,218	\$ 24,974	\$ 124,871
Employee benefits	4,502	2,046	1,637	8,185
Payroll taxes	<u>6,049</u>	<u>2,750</u>	<u>2,199</u>	<u>10,998</u>
Total compensation and related expenses	<u>79,230</u>	<u>36,014</u>	<u>28,810</u>	<u>144,054</u>
<b>ALLOCATIONS AND CONTRIBUTIONS</b>				
Agency allocation payment	275,173	-0-	-0-	275,173
Designations	1,040	-0-	-0-	1,040
Grants (Note 12)	1,207,220	-0-	-0-	1,207,220
Donated services	79,410	-0-	-0-	79,410
Other allocations	<u>502</u>	<u>-0-</u>	<u>-0-</u>	<u>502</u>
Total allocations and contributions	<u>1,563,345</u>	<u>-0-</u>	<u>-0-</u>	<u>1,563,345</u>
<b>OCCUPANCY</b>				
Building loan interest	20,941	7,479	1,495	29,915
Property insurance	1,099	392	79	1,570
Property taxes	483	173	35	691
Repairs and maintenance	7,827	2,796	559	11,182
Utilities	<u>5,106</u>	<u>1,824</u>	<u>365</u>	<u>7,295</u>
Total occupancy expenses	<u>35,456</u>	<u>12,664</u>	<u>2,533</u>	<u>50,653</u>
<b>ADMINISTRATION</b>				
Office expense	5,947	20,815	2,973	29,735
Postage and printing	7,033	1,005	2,010	10,048
Professional fees	3,474	10,424	-0-	13,898
Continuing education	-0-	345	-0-	345
Marketing and advertising	1,786	8,035	8,034	17,855
Event sponsorship	-0-	8,219	-0-	8,219
Taxes, licenses and fees	-0-	501	-0-	501
Dues and subscriptions	1,686	13,492	1,686	16,864
Insurance	<u>16,010</u>	<u>9,606</u>	<u>6,404</u>	<u>32,020</u>
Total administrative expenses	<u>35,936</u>	<u>72,442</u>	<u>21,107</u>	<u>129,485</u>
<b>OTHER EXPENSES</b>				
Bank charges	-0-	1,347	-0-	1,347
Depreciation expense	12,833	4,936	1,974	19,743
Travel	<u>-0-</u>	<u>2,401</u>	<u>-0-</u>	<u>2,401</u>
Total other expenses	<u>12,833</u>	<u>8,684</u>	<u>1,974</u>	<u>23,491</u>
 Total functional expenses	 <u>\$1,726,800</u>	 <u>\$ 129,804</u>	 <u>\$ 54,424</u>	 <u>\$1,911,028</u>

Read Independent Auditors' Report

The accompanying notes are an integral part of this statement.



**UNITED WAY OF CHARLOTTE COUNTY, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONT.)**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2014**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Totals</u>
<b>COMPENSATION AND RELATED EXPENSES</b>				
Salaries	\$ 61,328	\$ 27,877	\$ 22,301	\$ 111,506
Employee benefits	3,918	1,781	1,425	7,124
Payroll taxes	<u>2,691</u>	<u>1,224</u>	<u>979</u>	<u>4,894</u>
Total compensation and related expenses	<u>67,937</u>	<u>30,882</u>	<u>24,705</u>	<u>123,524</u>
<b>ALLOCATIONS AND CONTRIBUTIONS</b>				
Agency allocation payment	339,114	-0-	-0-	339,114
Designations	3,193	-0-	-0-	3,193
Grants (Note 12)	477,113	-0-	-0-	477,113
Donated services	31,010	-0-	-0-	31,010
Other allocations	<u>5,100</u>	<u>-0-</u>	<u>-0-</u>	<u>5,100</u>
Total allocations and contributions	<u>855,530</u>	<u>-0-</u>	<u>-0-</u>	<u>855,530</u>
<b>OCCUPANCY</b>				
Building loan interest	22,258	7,950	1,590	31,798
Property insurance	1,168	417	83	1,668
Property taxes	483	173	35	691
Repairs and maintenance	9,742	3,479	696	13,917
Utilities	<u>5,152</u>	<u>1,840</u>	<u>368</u>	<u>7,360</u>
Total occupancy expenses	<u>38,803</u>	<u>13,859</u>	<u>2,772</u>	<u>55,434</u>
<b>ADMINISTRATION</b>				
Office expense	4,378	15,322	2,189	21,889
Postage and printing	6,028	860	1,721	8,609
Professional fees	3,408	10,222	-0-	13,630
Continuing education	-0-	300	-0-	300
Marketing and advertising	1,366	5,763	6,147	13,276
Event sponsorship	-0-	384	-0-	384
Taxes, licenses and fees	-0-	726	-0-	726
Dues and subscriptions	1,224	9,790	1,224	12,238
Insurance	<u>10,376</u>	<u>6,225</u>	<u>4,150</u>	<u>20,751</u>
Total administrative expenses	<u>26,780</u>	<u>49,592</u>	<u>15,431</u>	<u>91,803</u>
<b>OTHER EXPENSES</b>				
Bank charges	-0-	1,992	-0-	1,992
Depreciation expense	13,238	5,091	2,036	20,365
Travel	<u>-0-</u>	<u>1,349</u>	<u>-0-</u>	<u>1,349</u>
Total other expenses	<u>13,238</u>	<u>8,432</u>	<u>2,036</u>	<u>23,706</u>
 Total functional expenses	 <u>\$1,002,288</u>	 <u>\$ 102,765</u>	 <u>\$ 44,944</u>	 <u>\$1,149,997</u>

Read Independent Auditors' Report

The accompanying notes are an integral part of this statement.

UNITED WAY OF CHARLOTTE COUNTY, INC.  
PORT CHARLOTTE, FLORIDA  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED MARCH 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
CHANGE IN NET ASSETS	\$ (19,101)	\$ 9,261
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities:		
Depreciation	19,743	20,365
Investment return, net	(13,518)	(2,871)
(Increase) decrease in operating assets:		
Pledges receivable, net	16,393	27,601
Rent receivable	1,070	(570)
Prepaid insurance and expenses	156	(152)
Deposits	-0-	276
Increases (decrease) in operating liabilities:		
Accounts payable	2,699	(1,063)
Prepaid pledge	-0-	-0-
Grants payable	290,958	(293,582)
Accrued agency allocations	<u>(48,962)</u>	<u>(28,062)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>249,438</u>	<u>(268,797)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment	-0-	(1,111)
Proceeds from investments	<u>-0-</u>	<u>47,245</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>-0-</u>	<u>46,134</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Mortgage principal payments	<u>(16,660)</u>	<u>(18,795)</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>(16,660)</u>	<u>(18,795)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	237,778	(241,458)
CASH AND CASH EQUIVALENTS – AT BEGINNING OF FISCAL YEAR	<u>119,929</u>	<u>361,387</u>
CASH AND CASH EQUIVALENTS – AT END OF FISCAL YEAR	<u>\$ 352,707</u>	<u>\$ 119,929</u>

Read Independent Auditors' Report  
The accompanying notes are an integral part of this statement.

UNITED WAY OF CHARLOTTE COUNTY, INC.  
PORT CHARLOTTE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2015 AND 2014

**Note 1 – Summary of Significant Accounting Policies**

Organization and Nature of Activities

United Way of Charlotte County, Inc. (the “Organization”) was incorporated as a Florida not-for-profit corporation on March 18, 1966. The Organization is affiliated with the United Way of America and its mission is “to enhance the quality of life in Charlotte County; to assess, on a continuing basis, the need for human service programs; to seek solutions to human problems; to assist in the development of new or expansion or modification of existing human service programs; to promote preventive activities, and foster cooperation among local, state and national agencies serving the community.” The Organization’s support comes primarily from business and individual donors’ contributions and volunteer services.

The Organization, operates as a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board for Not-for-Profit Organizations. 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. The Organization had no permanently restricted net assets at March 31, 2015 and 2014.

Donated Investments and Property and Equipment

Donated marketable securities and other non-cash donations are recorded as contributions at the estimated fair values at the date of donation.

Donated Services

The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. The Organization received more than 3,521 and 1,460 volunteer hours during 2015 and 2014, respectively. For the years ended March 31, 2015 and 2014 the Organization recorded donated services of \$79,410 and \$31,010, respectively.

Cash Equivalents

The Organization considers all monies in banks and unrestricted highly liquid investments if any, with an initial maturity of three months or less to be cash equivalents.

Investments

The Organization reports investments in marketable securities with readily determinable fair values and all other investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

UNITED WAY OF CHARLOTTE COUNTY, INC.  
PORT CHARLOTTE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2015 AND 2014

**Note 1 – Summary of Significant Accounting Policies (Continued)**

Investments (continued)

The Organization has adopted an investment endowment policy to grow this fund so that the annual earnings will cover the annual operating expenses. Any withdrawal from this fund requires approval of the Board of Directors. Donor funds committed for agency allocations and grants are invested conservatively, so as to achieve return objectives with minimal risk. Endowment funds from contributions not related to the Organization's annual fundraising campaign are invested in a manner to produce acceptable results, as approved by the Board of Directors, while assuming a prudent level of investment risk. The Organization's policies adhere to Florida's Uniform Management of Institutional Funds Act which has been updated to conform to a majority of the National Uniform Prudent Management of Institutional Funds Act of 2006.

Pledges Receivable

Annual United Way campaign contributions are generally available for unrestricted use unless restricted by the donor. Unconditional pledges are reflected as current contributions. The majority of pledges are received from Charlotte County business entities, employees of those businesses through payroll deduction plans and direct contributions by individuals. An allowance for uncollectible pledges is provided based on management's evaluation of potential uncollectible receivables at fiscal year end.

Property and Equipment

Property and equipment are recorded at cost when purchased or at estimated fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restriction. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

UNITED WAY OF CHARLOTTE COUNTY, INC.  
PORT CHARLOTTE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
MARCH 31, 2015 AND 2014

**Note 1 – Summary of Significant Accounting Policies (Continued)**

Use of Estimates

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

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to credit risk currently include cash, pledges receivables and various investments.

The Organization maintains its cash in accounts at financial institutions in Charlotte County, Florida. Accounts at each commercial banking institution are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. At March 31, 2015 and 2014, accounts at these institutions were fully insured.

Accounts with a financial services company consisted of interest-bearing cash investment accounts, stocks and mutual funds. Accounts at the financial services company are insured by the Securities Investor Protection Corporation (“SIPC”) up to \$500,000. As of March 31, 2015 and 2014, account balances were fully insured.

The United Way received an estimated 20% of its total campaign pledge revenue for the fiscal years ended March 31, 2015 and 2014 respectively, from a major corporate contributor. Management believes this contributor will continue its support of United Way in the foreseeable future. However, a reduction in amounts received from this contributor, or in pledge contribution revenue in general, could result in a reduction of amounts available for agency allocations.

Income Taxes

The Organization is a not-for-profit corporation and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It qualifies for the charitable contribution deduction under Section 170(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Organization adopted Accounting Standards Codification ASC 740-10, *Income Taxes* as it relates to uncertain tax positions, and has evaluated its tax positions taken for all open tax years. Currently the 2012, 2013, and 2014 tax years are open and subject to examination by the Internal Revenue Services. However, the Organization is not currently under audit nor has the Organization been contacted by any tax jurisdiction.

Based on an evaluation of the Organization’s tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended March 31, 2015 and 2014.

**UNITED WAY OF CHARLOTTE COUNTY, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**MARCH 31, 2015 AND 2014**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

Reclassifications

Certain items in the 2014 comparative totals have been reclassified to conform to the 2015 presentation.

Subsequent Events

The Organization has evaluated subsequent events and transactions after March 31, 2015 through July 20, 2015, the date the financial statements were available to be issued.

**Note 2 – Cash and Cash Equivalents and Certificates of Deposit**

Cash included the following at March 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Petty Cash	\$ 71	\$ 197
Checking Accounts	53,930	117,228
Money Market Funds	298,706	2,504
	<u>\$352,707</u>	<u>\$119,929</u>

**Note 3 – Pledges Receivable**

Pledges receivable basically relate to the Organization's annual campaign. The allowance for uncollectible pledges is determined by management based primarily on historical collection experience. Pledges receivable and the allowance for uncollectible pledges at March 31, 2015 and 2014 are summarized as follows:

	<u>Gross Pledges Receivable</u>	<u>Allowance for Uncollectible Pledges</u>	<u>Net Pledges Receivable</u>
At March 31, 2015	\$ 288,050	\$ 3,000	\$ 285,050
At March 31, 2014	\$ 316,443	\$ 15,000	\$ 301,443

**Note 4 – Endowment Fund**

United Way of Charlotte County established an Endowment Fund in 2003. The Board adopted goal is to grow this fund so that the annual earnings will cover the annual operating expenses. Any withdrawal from this fund requires approval of the Board of Directors.

**UNITED WAY OF CHARLOTTE COUNTY, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**MARCH 31, 2015 AND 2014**

**Note 4 – Endowment Fund Investments (Continued)**

Endowment fund investments are recorded based on readily published market values. Cost and unrealized appreciation (depreciation) at March 31, 2015 and 2014 are summarized as follows:

At March 31, 2015		Prior	2015
	Cost or Basis	Unrealized Appreciation (Depreciation)	Unrealized Appreciation (Depreciation)
Mutual funds	\$ 311,092	\$ 6,970	\$ 12,243
REITs	20,000	910	1,275
<b>Totals</b>	<b>\$ 331,092</b>	<b>\$ 7,880</b>	<b>\$ 13,518</b>

At March 31, 2014		Prior	2014
	Cost or Basis	Unrealized Appreciation (Depreciation)	Unrealized Appreciation (Depreciation)
Mutual funds	\$ 296,024	\$ 20,113	\$ 1,925
REITs	20,000	(36)	946
<b>Totals</b>	<b>\$ 316,024</b>	<b>\$ 20,077</b>	<b>\$ 2,871</b>

**Note 5 – Property and Equipment**

Property and equipment at March 31, 2015 is summarized as follows:

	Estimated Life (Years)	Cost or Basis	Accumulated Depreciation	Net Book Value
Office building	15	\$ 671,963	\$ (116,635)	\$ 555,328
Furniture & fixtures	5 – 7	12,033	(11,521)	512
Computer hardware	5	11,508	(10,140)	1,368
Computer software	3 – 5	3,800	(3,800)	-0-
Leasehold improvements	15	9,700	(6,005)	3,695
		<b>\$ 709,004</b>	<b>\$ (148,101)</b>	<b>\$ 560,903</b>

Property and equipment at March 31, 2014 is summarized as follows:

	Estimated Life (Years)	Cost or Basis	Accumulated Depreciation	Net Book Value
Office building	15	\$ 671,963	\$ (99,405)	\$ 572,558
Furniture & fixtures	5 – 7	13,456	(11,919)	1,537
Computer hardware	5	17,684	(15,475)	2,209
Computer software	3 – 5	7,840	(7,840)	-0-
Leasehold improvements	15	9,700	(5,358)	4,342
		<b>\$ 720,643</b>	<b>\$ (139,997)</b>	<b>\$ 580,646</b>

Depreciation of \$19,743 and \$20,365 for the fiscal years ended March 31, 2015 and 2014, respectively, was charged entirely to expense.

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**Note 6 – Long Term Debt**

On June 25, 2008, the Organization obtained a commercial mortgage related to its purchase of the office building in the Murdock Professional Center. This commercial mortgage is for \$510,000 and is secured by the building. The note is a 20 year mortgage at a fixed interest rate of 6.65%, with a monthly payment of \$3,877 including principal and interest.

Principal maturities of the mortgage payable during the next five years and thereafter are estimated as follows:

Year ended March 31, 2016	\$ 20,166
Year ended March 31, 2017	21,780
Year ended March 31, 2018	23,220
Year ended March 31, 2019	24,812
Year ended March 31, 2020	26,474
March 31, 2021 and thereafter	291,929
	<u>\$ 408,381</u>

**Note 7 – Temporarily Restricted Net Assets**

Temporarily restricted net assets at March 31, 2015 and 2014 include the following:

	<u>2015</u>	<u>2014</u>
Publix Assistance	\$ 13,219	\$ 15,565
Season of Sharing	5,604	68,515
	<u>\$ 18,823</u>	<u>\$ 84,080</u>

**Note 8 – Pension Plan**

The Organization offers employees, who meet certain eligibility requirements, a pension arrangement. The Organization's contributions are based on 7% of an employee's salary. The Organization's pension expense for the fiscal years ended March 31, 2015 and 2014 was \$8,185 and \$7,124, respectively.

**Note 9 – Commitments**

One of the purposes of the Organization is to provide funding to eligible charities and community agencies for the benefit of Charlotte County citizens. The Organization's allocation committee reviews requests for such funding and recommends funding amounts to the Organization's board of directors. The approved funding to eligible charities and community agencies is generally paid on a monthly basis during the subsequent fiscal year. The accrued agency allocations of \$275,173 at March 31, 2015 will be paid from June 2015 to March 2016. The accrued agency allocations of \$324,135 at March 31, 2014, were paid from June 2014 to March 2015.



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**Note 9 – Commitments (Continued)**

For the fiscal year ended March 31, 2015, the Organization received and was committed to allocate grant funds totaling \$25,000 from the City of Punta Gorda and \$886,957 from Charlotte County, to eligible charities and community agencies for the benefit of Charlotte County citizens. As of March 31, 2015, \$616,310 of this was paid out and the remaining \$295,653 is recorded as a grant payable at March 31, 2015. For the fiscal year ended March 31, 2014, the Organization received and was committed to allocate grant funds totaling \$25,000, from the City of Punta Gorda and \$295,653 to eligible charities and community agencies for the benefit of Charlotte County citizens. As of March 31, 2014, \$315,957 of this was paid out, and the remaining \$4,695 was recorded as a grant payable at March 31, 2014.

**Note 10 – Statement of Cash Flows**

The Organization did not participate in any non-cash investing and financing activities during the fiscal years ended March 31, 2015 and 2014 and no payments relating to income taxes were made during these fiscal years. During the fiscal years ended March 31, 2015 and 2014, payments made for interest expense totaled \$29,915 and \$31,798, respectively.

**Note 11 – Fair Value Measurements**

Financial Accounting Standards Codification (ASC) 820-10-50, *Fair Value Measurements and Disclosures*, established a 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 the fair value hierarchy under ASC 820-10-50 are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 - Inputs to the valuation methodology included:
- Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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**Note 11 – Fair Value Measurements (Continued)**

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at March 31, 2015.

Mutual Funds: Valued at the net asset value (“NAV”) of the shares held at year end.

REIT’S: Valued at the net asset value (“NAV”) of the ownership interest in each trust. The values are provided by the sponsor, generally through an intermediary, and purport to reflect an estimate of the interest in the REIT represented by the units described.

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

The following table sets forth by level, within the fair value hierarchy, the Organization’s financial instruments at fair value as of March 31, 2015:

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 330,305	\$ -0-	\$ -0-	\$ 330,305
REIT’S	-0-	-0-	22,185	22,185
Total Investments at Fair Value	<u>\$ 330,305</u>	<u>\$ -0-</u>	<u>\$ 22,185</u>	<u>\$ 352,490</u>

The following table sets for by level, within the fair value hierarchy, the Organization’s financial instruments at fair value as of March 31, 2014:

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 318,062	\$ -0-	\$ -0-	\$ 318,062
REIT’S	-0-	-0-	20,910	20,910
Total Investments at Fair Value	<u>\$ 318,062</u>	<u>\$ -0-</u>	<u>\$ 20,910</u>	<u>\$ 338,972</u>

Level 3 Gains and Losses

The table below sets forth a summary of changes in the fair value of the Organization’s Level 3 instruments for the year ended March 31, 2015:

	REIT’S
Balance, beginning of year	\$ 20,910
Unrealized gains (losses)	1,275
Balance, end or year	<u>\$ 22,185</u>

The table below sets forth a summary of changes in the fair value of the Organization’s Level 3 instruments for the year ended March 31, 2014.

	REIT’S
Balance, beginning of year	\$ 19,964
Unrealized gains (losses)	946
Balance, end or year	<u>\$ 20,910</u>

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**Note 12 – Change in County Funding Method**

During the year ended March 31, 2014, Charlotte County changed the funding method on their grant from an advance lump-sum payment to a monthly allocation payment. This funding method change reduced the grant revenue by \$295,653. These funds are directly passed through to sub-contractors as approved by the county therefore; a reduction in grant allocation expense, cash and grants payable liability has been reflected in the March 31, 2014 financial statements. This was a change in the method of funding the grant not the financial terms of the grant. During the year ended March 31, 2015, Charlotte County changed back to the advance lump-sum payment method for the Grant funding.