

United Way of the Coalfield, Inc.  
Table of Contents

Independent Auditors' Report.....	1 - 3
Statement of Financial Position.....	4
Statement of Activities.....	5
Statement of Functional Expenses.....	6
Statement of Cash Flows.....	7
Notes to Financial Statements.....	8 - 15

Supplementary Schedules

Schedule of Functional Expenses Compared to Budgets.....	17
Schedule of Allocations and Designations Paid to Agencies.....	18



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
United Way of the Coalfield, Inc.

We have audited the accompanying financial statements of United Way of the Coalfield, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, 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.

### **Auditors' 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 from material misstatement.

An audit involves performing procedures to obtain 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 qualified audit opinion.

### **Basis for Qualified Opinion**

No accounting controls are exercised over cash collections prior to the initial entry of such contributions in the accounting records. Incomplete accounting records exist related to amounts raised on behalf of others for the 2015/2016 campaign. We were unable to obtain sufficient appropriate audit evidence about the amount recognized for cash collections and amounts raised on behalf of others by the United Way of the Coalfield, Inc. for the year ended December 31, 2016. Consequently, we were unable to determine whether any adjustments to those amounts were necessary.

### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of the Coalfield, Inc. as of December 31, 2016 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 the United Way of the Coalfield, Inc.'s 2015 financial statements, and we expressed an qualified opinion on those audited financial statements in our report dated August 8, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses Compared to Budget on page 17 and the Schedule of Allocations and Donor Designations Paid to Agencies on page 18 are presented for purposes of additional analysis and are not required parts of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of the matter described in Basis for Qualified Opinion paragraph, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Emphasis of Matter - Prior Period Adjustment**

As discussed in Note A to the financial statements, the 2015 financial statements have been restated to correct the facility use contribution. On the statement of financial position, this restatement had the effect of increasing pledges and increasing net assets at December 31, 2015 by \$6,300. On the statement of activities, this restatement had the effect of increasing contributions by \$10,800, increasing expenses by \$4,500 and reducing the decrease in net assets by \$6,300 for the year ended December 31, 2015. Our opinion is not modified with respect to these matters.

*Berry Kington & Utley PSC*

Madisonville, Kentucky  
June 22, 2017

United Way of the Coalfield, Inc.  
Statement of Financial Position  
December 31, 2016 with Summarized Totals for 2016

	2016	2015
<b><u>Assets</u></b>		
Cash and Cash Equivalents		
Including Certificates of Deposit	\$ 241,324	\$ 233,130
Pledges Receivables, Net of Allowance for Uncollectible Pledges of \$8,517	160,868	103,770
Property and Equipment, net	3,048	3,146
<b><u>Total Assets</u></b>	<b>\$ 405,240</b>	<b>\$ 340,046</b>
 <b><u>Liabilities and Net Assets</u></b>		
 <b><u>Liabilities</u></b>		
Amounts Raised on Behalf of Others	\$ 25,678	\$ 13,066
Allocations Payable	111,700	-
Accounts Payable and Accrued Expenses	4,069	1,062
Total Liabilities	141,447	14,128
 <b><u>Net Assets</u></b>		
Unrestricted	88,263	197,467
Temporarily Restricted	175,530	128,451
Total Net Assets	263,793	325,918
<b><u>Total Liabilities and Net Assets</u></b>	<b>\$ 405,240</b>	<b>\$ 340,046</b>

See accompanying notes.

United Way of the Coalfield, Inc.  
Statement of Activities  
For the Year Ended December 31, 2016 with Summarized Totals for 2016

	2016			2015
	Unrestricted	Temporarily Restricted	Total	Total (Summarized Only)
<b><u>Public Support and Revenue</u></b>				
Annual Campaign	\$ -	\$ 404,136	\$ 404,136	\$ 352,093
Gross amounts raised on behalf of others	-	(30,133)	(30,133)	(25,255)
Allowance for uncollectible pledges	-	(14,224)	(14,224)	(19,828)
Net Campaign Efforts	-	359,779	359,779	307,010
In Kind and Other Contributions	25,209	-	25,209	42,028
Total Public Support	25,209	359,779	384,988	349,038
Revenue and Gains (Losses)				
Administrative Fees	4,791	-	4,791	3,774
Investment Income	131	-	131	136
Total Revenue and Gains(Losses)	4,922	-	4,922	3,910
Net Assets Released from Restrictions	312,700	(312,700)	-	-
Total Public Support and Revenue	342,831	47,079	389,910	352,948
<b><u>Expenses</u></b>				
Program Services				
Community Capacity Building	349,446	-	349,446	262,212
Community Impact	4,012	-	4,012	3,483
Total Program Services	353,458	-	353,458	265,695
Supporting Services				
Resource Development	19,696	-	19,696	17,937
Organizational Administration	73,719	-	73,719	73,930
Unallocated Payments to Affiliates	5,162	-	5,162	4,822
Total Supporting Services	98,577	-	98,577	96,689
Total Allocations and Expenses	452,035	-	452,035	362,384
<b><u>Changes in Net Assets</u></b>	(109,204)	47,079	(62,125)	(9,436)
<b><u>Net Assets, Beginning of Year</u></b>	197,467	128,451	325,918	335,354
<b><u>Net Assets, End of Year</u></b>	\$ 88,263	\$ 175,530	\$ 263,793	\$ 325,918

See accompanying notes.

United Way of the Coalfield, Inc.  
Statement of Functional Expenses  
For the Year Ended December 31, 2016 with Summarized Totals for 2015

	Program Services			Support Activities			2016 Combined Total	2015 Combined Total	
	Community Capacity Building	Community Impact	Total Program Expense	Resource Development	Organizational Administration	Unallocated Payments to Affiliates			Total Support Expense
<b>Expenses</b>									
Awards	\$ 348,518	\$ -	\$ 348,518	\$ -	\$ -	\$ -	\$ -	\$ 260,171	
Salaries and Wages	776	2,577	3,353	15,194	47,975	-	63,169	63,475	
Professional Fees	-	-	-	-	9,180	-	9,180	4,525	
Rent and Utilities	67	192	259	1,222	3,919	-	5,141	4,500	
Unallocated Payments to Affiliates	-	-	-	-	-	5,162	5,162	4,822	
Payroll Taxes	59	197	256	1,162	3,670	-	4,832	4,856	
Office Supplies and Expense	-	675	675	1,155	2,616	-	3,771	9,411	
Telephone	23	83	106	544	1,621	-	2,165	1,613	
Advertising	-	-	-	-	1,286	-	1,286	331	
Depreciation Expense	-	-	-	-	1,098	-	1,098	1,031	
Insurance	3	6	9	55	893	-	948	956	
Postage and Shipping	-	-	-	226	367	-	593	492	
Contract Labor	-	-	-	-	567	-	567	1,598	
Conferences and Meetings	-	281	281	108	-	-	108	929	
Printing and Artwork	-	-	-	-	250	-	250	55	
Dues and Subscriptions	-	-	-	-	180	-	180	280	
Miscellaneous	-	1	1	30	41	-	71	176	
Awards and Recognition	-	-	-	-	56	-	56	-	
Repair and Maintenance	-	-	-	-	-	-	-	180	
Employee Benefits	-	-	-	-	-	-	-	2,983	
<b>Total Functional Expenses</b>	<b>\$ 349,446</b>	<b>\$ 4,012</b>	<b>\$ 353,458</b>	<b>\$ 19,696</b>	<b>\$ 73,719</b>	<b>\$ 5,162</b>	<b>\$ 98,577</b>	<b>\$ 452,035</b>	<b>\$ 362,384</b>

See accompanying notes.

United Way of the Coalfield, Inc.  
Statement of Cash Flows  
For the Year Ended December 31, 2016 with Summarized Totals for 2016

	2016	2015
<b><u>Cash Flows from Operating Activities</u></b>		
Change in Net Assets	\$ (62,125)	\$ (9,436)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation Expense	1,098	1,031
Allowance for Uncollectible Pledges	(14,224)	19,828
Change in certain operating assets and liabilities:		
(Increase) Decrease in Pledges Receivable	(42,874)	(26,564)
Increase (Decrease) in Amounts Raised in Behalf of Others	12,612	7,109
Increase (Decrease) in Allocations Payable	111,700	-
Increase (Decrease) in Accounts Payable and Accruals	3,007	(1,018)
Cash Provided (Used) by Operating Activities	9,194	(9,050)
 <b><u>Cash Flows from Investing Activities</u></b>		
Purchase of Property and Equipment	(1,000)	-
Cash Provided (Used) by Investing Activities	(1,000)	-
 <b><u>Net Increase (Decrease) in Cash</u></b>	 8,194	 (9,050)
 <b><u>Cash, Beginning of Period</u></b>	 233,130	 242,180
 <b><u>Cash, End of Period</u></b>	 \$ 241,324	 \$ 233,130

See accompanying notes.



United Way of the Coalfield, Inc.  
Notes to Financial Statements  
December 31, 2016

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

**Organization**

The United Way of the Coalfield, Inc. (Organization) is a non-profit organization, incorporated in the state of Kentucky in 1972, governed by a volunteer Board of Directors that is nominated from the community. The mission of the United Way of the Coalfield, Inc. is to unite diverse elements of the community to plan, support, deliver, and monitor effective and efficient human service programs that are responsive to changing community needs. The Organization services needs in Hopkins and Muhlenberg counties in Western Kentucky.

**Basis of Presentation**

The financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB). 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. Restricted net assets consist of the following:

**Temporarily Restricted Net Assets**

Temporarily restricted net assets include gifts for which a donor imposed restriction has not been met and promises to give for which the ultimate purpose of the proceeds is not permanently restricted. The entire gift, the principal amount given, can be spent in accordance with the donor's restriction.

**Permanently Restricted Net Assets**

Permanently restricted net assets include gifts which require, by donor restriction, that the corpus or the principal be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

**Estimates and Assumptions**

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

**Cash and Cash Equivalents**

Cash and cash equivalents are liquid investments with original maturities at date of purchase of one year or less and consist primarily of bank accounts and certificates of deposits.

**Pledges Receivables**

Unconditional pledges receivable are recognized as support in the period the pledges are received. Conditional contributions are recognized as support when the conditions on which they depend have been substantially met.

United Way of the Coalfield, Inc.  
Notes to Financial Statements  
December 31, 2016

Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance. The valuation allowance is computed based upon a three-year historical average adjusted by estimates of current economic factors and applied to individual campaign balances, including donor designations. Those balance that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable.

**Property and Equipment**

Purchased property and equipment are recorded at cost or, if donated, at fair value on the date of receipt, less accumulated depreciation. Depreciation on property and equipment is computed using the straight line method over the estimated useful lives of the assets, ranging from 5 to 7 years. Depreciation recognized during 2016 totaled \$1,098.

**Revenue Recognition**

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit their use. 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 statement of activities as net assets released from restrictions.

**Donor Designations**

Regular campaign designations are from traditional workplace campaign donors who may designate some or all of their gifts to specific member agencies. In accordance with accounting standards, these specified designations are not considered to be part of the allocations to agencies and are deducted from campaign results.

**Description of Program Services and Supporting Activities**

The following program services and supporting activities are included in the accompanying financial statements, in accordance with the Organization's Mission Statement.

**Program Services**

Community Capacity Building - Includes expenditures for ongoing operation funding and one-time grants to member and non-member agencies, administering the funding and providing oversight of other fund distribution programs.

Community Impact - Includes expenditures relating to collaborative approaches to deliver improved community-level outcomes in the United Way impact areas of health, education, basic needs, strong communities and financial stability through research, thought leadership, aligned programming and funding and community mobilization.

United Way of the Coalfield, Inc.  
Notes to Financial Statements  
December 31, 2016

**Fundraising**

Provides the structure necessary to encourage and secure financial support from individuals, organizations and corporations.

**Management and General**

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of the Organization.

**Expense Allocations**

Expenses are charged to program services and supporting activities on the basis of how resources are specifically utilized, as well as periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**Advertising Costs**

The Organization expenses advertising costs as incurred. Total advertising costs charges against income amounted to \$1,286 in 2016.

**Donated Facilities, Services and Materials**

A substantial number of volunteers have donated significant amounts of time to the Organization's program services and to its fund-raising campaigns. These services are not recorded in the financial statements since they do not meet the criteria for recognition in accounting standards established for not-for-profit organizations. Donated facilities and materials are recorded at fair value at the date of receipt.

**Subsequent Events**

The Organization has evaluated subsequent events through June 22, 2017, the date which the financial statements were available to be issued.

**Income Taxes**

The Organization is exempt from federal and state income taxes on its related, exempt activities under Section 501(c)(3) of the Internal Revenue Code. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. The Organization's federal tax returns for tax years 2014 and later remain subject to examination by taxing authorities.

United Way of the Coalfield, Inc.  
Notes to Financial Statements  
December 31, 2016

**Fair Value**

The carrying amounts of pledges receivable, allocations payable, accounts payable and accrued expenses approximate fair value due to the short period to maturity.

**Prior Period Adjustment**

The Organization restated its prior period financial statements to recognize an in kind contribution of facility use and utilities from a two year lease beginning March 1, 2015 and ending February 28, 2017. On the statement of financial position, this restatement had the effect of increasing pledges and increasing net assets at December 31, 2015 by \$6,300. On the statement of activities, this restatement had the effect of increasing contributions by \$10,800, increasing expenses by \$4,500 and reducing the decrease in net assets by \$6,300 for the year ended December 31, 2015.

**Reclassifications**

Certain accounts in the 2015 financial statements have been reclassified to conform with the current year financial statement presentation.

**Recent Accounting Pronouncements**

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, "Revenue from Contracts with Customers," which establishes a comprehensive revenue recognition standard for virtually all industries in U.S. GAAP, including those that previously followed industry-specific guidance. For non-public entities, the new standard was originally effective for annual periods beginning after December 15, 2017. In August 2015, the FASB issued ASU 2015-4, "Revenue from Contracts with Customers (Topic 606) – Deferral of Effective Date," which deferred the effective date for one year. Accordingly, this ASU will be effective for the Organization for the year ended December 31, 2019. The Organization is currently evaluating the effect the provisions of ASU 2014-09 will have on the financial statements.

In August 2014, the FASB issued ASU 2014-15, "Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern." The update provides guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern. The update also provides related disclosures. The new standard applies prospectively to annual periods ending after December 15, 2016. Early adoption is permitted. Presently, the Organization does not anticipate that the adoption of this update will have a material effect on the financial statements.

In February 2016, the FASB issued ASU 2016-03 which is a highly-anticipated leasing standard for both lessees and lessors. Under its core principle, a lessee will recognize lease assets and liabilities on the statement of financial position for all leasing arrangements with terms longer

United Way of the Coalfield, Inc.  
Notes to Financial Statements  
December 31, 2016

than 12 months. Lessor accounting remains largely consistent with existing U.S. GAAP. The new standard takes effect in 2019 for public business entities and 2020 for all other entities. Presently, the Organization does not anticipate that the adoption of this update will have a material effect on the consolidated financial statements.

In August 2016, the FASB issued ASU 2016-14, "Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities", which affects all non profit organizations. The ASU significantly amends the standards for the presentation and accompanying disclosures of the financial statements of nonprofit organizations. The ASU is effective for fiscal years beginning after December 15, 2017. The Organization is currently evaluating the effect the provisions of ASU 2016-14 will have on the financial statements.

**NOTE B - NET ASSETS RELEASED FROM RESTRICTION**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors as follows for the year ended December 31, 2016.

Time Restrictions	
Net pledges received for future periods	\$312,700

**NOTE C - SUMMARIZED TOTALS FOR YEAR ENDED DECEMBER 31, 2015**

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 the Organization's financial statements for the year ended December 31, 2015, from which summarized information was derived.

**NOTE D – PLEDGES RECEIVABLE**

All pledges receivable are due within one year. Allowances of \$8,517 were recorded for 2016.

**NOTE E – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes as of December 31, 2016:

Time Restrictions	
Net campaign pledges received for future periods	\$175,530

United Way of the Coalfield, Inc.  
Notes to Financial Statements  
December 31, 2016

**NOTE F - CAMPAIGN RESULTS**

The results of the 2015/2016 campaign were as follows:

Campaign	\$ 274,148
Less gross amounts raised on behalf of others	(22,392)
Less allowance for uncollectible pledges	<u>(7,454)</u>
Net Campaign	<u>\$ 244,302</u>

As of December 31, 2016, the results of the 2016/2017 campaign were as follows:

Campaign	\$ 200,681
Less gross amounts raised on behalf of others	(17,534)
Less allowance for uncollectible pledges	<u>(8,517)</u>
Net Campaign	<u>\$ 174,630</u>

**NOTE G - LEASES**

In 2015, the Organization extended its lease agreement with U.S. Bank National Association for two years effective February 10, 2015. The lease includes rent and utilities for zero dollars monthly. Either party can cancel the lease with thirty days written notice. Donated facility use and utilities that the United Way of the Coalfield received by gift are recorded in the financial statements as in-kind contributions at date of receipt. Rent expense is recorded as utilized. The Organization recognized \$5,400 in 2016 as lease expense and \$900 remains for future years.

**NOTE H - FAIR VALUE MEASUREMENTS**

Effective July 1, 2008, the Organization adopted the accounting standards for fair value measurements. The standard defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The accounting standard requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

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

*Market approach* - Uses prices and other relevant information generated by market transactions involving identical or comparable asset or liabilities.

*Cost approach* - Based on the amount that currently would be required to replace the service capacity of an asset.

*Income approach* - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts.

United Way of the Coalfield, Inc.  
Notes to Financial Statements  
December 31, 2016

Investments measured and reported at fair value are classified and disclosed in one of the following three categories:

Level 1 - Quoted prices that are readily available in active markets/exchanges for identical investments.

Level 2 - Pricing inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.

Level 3 - Significant pricing inputs that are unobservable for the investment and includes investments for which there is little, if any, market activity for the investment.

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the year ended December 31, 2016 using quoted market prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and Cash Equivalents	\$241,324	\$ -	\$ -	\$241,324

**NOTE I – FINANCIAL RISK**

Approximately 20% and 19% of contributions were made by General Electric Aircraft Engines and Baptist Health Madisonville, Inc., respectively. The Organization’s operations are directly affected by the business climate in Western Kentucky.

**NOTE J – FINANCIAL INSTRUMENTS**

The financial instrument that potentially subjects the Organization to concentrations of credit risk consists principally of temporary cash investments. The Organization maintains cash balances in various banks in Hopkins County, Kentucky.

**NOTE K - HEIDI BADGETT FUND**

In May of 2000 a Field of Interest Endowment Fund was established with the Community Foundation of Louisville, Inc. The funds are available for grants that address the health and educational needs of children and their families in Hopkins, Muhlenberg and Webster counties in Kentucky. The Community Foundation of Louisville, Inc. is responsible for the fund’s investments and distribution policy.

The Organization is designated as the Administrator of the fund’s grants and is responsible for publicizing the availability of grants, overseeing the Selection Committee for grant recipients, developing guidelines for proposal evaluation, receiving the allocated distribution, distributing the funds to recipients, monitoring the use of funds after awards are made and reporting the status of grants to the Foundation quarterly.

United Way of the Coalfield, Inc.  
Notes to Financial Statements  
December 31, 2016

The Organization received \$19,725 in 2016 from the Foundation and \$2,275 from individuals and distributed \$22,000 to agencies.

**NOTE L - RETIREMENT PLAN**

The Organization maintains a Simplified Employee Pension for its employees who have met a 1 year service requirement. The Organization can designate any percentage up to 25% each year as a contribution to the retirement plan. During 2016, the Organization did not contribute to employee accounts since no employee met the service requirements.

**NOTE M - COMPLIANCE WITH LAWS AND REGULATIONS**

The Organization failed to renew the Charitable Gaming License for 2016. All raffles conducted using the gaming license after January 2016 are considered illegal. The total amount raised on behalf of the Organization for raffles after this date was \$22,163. The Organization is in the process of reinstating the license with the State Gaming Board.



**Supplementary Schedules**

United Way of the Coalfield, Inc.  
Statement of Functional Expenses Compared to Budget  
For the Year Ended December 31, 2016

<u>Expenses</u>	<u>Program Services</u>		<u>Support Activities</u>			<u>Combined</u>		
	<u>Community Capacity Building</u>	<u>Community Impact</u>	<u>Resource Development</u>	<u>Organizational Administration</u>	<u>Unallocated Payments to Affiliates</u>	<u>Total</u>	<u>Budget</u>	<u>Variance</u>
Awards	\$ 348,518	\$ -	\$ -	\$ -	\$ -	\$ 348,518	\$ 229,923	\$ (118,595)
Salaries and Wages	776	2,577	15,194	47,975	-	66,522	65,000	(1,522)
Professional Fees	-	-	-	9,180	-	9,180	6,000	(3,180)
Rent Expense	67	192	1,222	3,919	-	5,400	-	(5,400)
Unallocated Payments to Affiliates	-	-	-	-	5,162	5,162	5,200	38
Payroll Taxes	59	197	1,162	3,670	-	5,088	4,992	(96)
Office Supplies and Expense	-	675	1,155	2,616	-	4,446	4,150	(296)
Telephone	23	83	544	1,621	-	2,271	1,700	(571)
Advertising	-	-	-	1,286	-	1,286	3,900	2,614
Depreciation Expense	-	-	-	1,098	-	1,098	381	(717)
Insurance	3	6	55	893	-	957	1,200	243
Postage and Shipping	-	-	226	367	-	593	1,350	757
Contract Labor	-	-	-	567	-	567	-	(567)
Conferences and Meetings	-	281	108	-	-	389	600	211
Printing and Artwork	-	-	-	250	-	250	300	50
Dues and Subscriptions	-	-	-	180	-	180	500	320
Miscellaneous	-	1	30	41	-	72	1,975	1,903
Awards and Recognition	-	-	-	56	-	56	500	444
Equipment Repair and Maintenance	-	-	-	-	-	-	192	192
Employee Benefits	-	-	-	-	-	-	1,130	1,130
<b><u>Total Functional Expenses</u></b>	<b><u>\$ 349,446</u></b>	<b><u>\$ 4,012</u></b>	<b><u>\$ 19,696</u></b>	<b><u>\$ 73,719</u></b>	<b><u>\$ 5,162</u></b>	<b><u>\$ 452,035</u></b>	<b><u>\$ 328,993</u></b>	<b><u>\$ (123,042)</u></b>

United Way of the Coalfield, Inc.  
 Schedule of Allocations and Donor Designations Paid to Agencies  
 For the Year Ended December 31, 2016 with Summarized Totals for 2016

	2016			2015	
	Allocations	Donor Designations	Grant Designations	Total	Total
<b><u>Basic Needs and Emergency Services</u></b>					
Salvation Army	\$ 43,105	\$ 120	\$ -	\$ 43,225	\$ 42,945
Sanctuary, Inc.-Hopkins County	30,000	1,097	-	31,097	25,677
Breaking Bread	1,000	-	-	1,000	1,050
Habitat for Humanity Hopkins Co	1,000	-	-	1,000	1,000
American Red Cross	-	-	-	-	609
Total Basic Need and Emergency Services	<u>75,105</u>	<u>1,217</u>	<u>-</u>	<u>76,322</u>	<u>71,281</u>
<b><u>Youth Services</u></b>					
Hopkins County Family YMCA-Kids Center	30,000	258	-	30,258	30,612
Big Brothers/Big Sisters	10,500	2,745	5,000	18,245	13,763
Family Advocacy Center	15,026	174	-	15,200	45,796
Hopkins County 4-H	7,750	375	-	8,125	8,920
CASA	1,000	-	-	1,000	8,973
Total Youth Services	<u>64,276</u>	<u>3,552</u>	<u>5,000</u>	<u>72,828</u>	<u>108,064</u>
<b><u>Health and Handicapped</u></b>					
Pennyriple Allied Community Service	76,987	1,853	-	78,840	77,362
Muhlenberg County Opportunity Center	9,500	312	-	9,812	7,559
Pennyroyal Mental Health-Trace Industries	6,200	-	-	6,200	7,094
Hopkins County Community Clinic	2,750	331	-	3,081	12,296
Hospice of Western Kentucky	2,000	155	-	2,155	2,000
Total Health and Handicapped	<u>97,437</u>	<u>2,651</u>	<u>-</u>	<u>100,088</u>	<u>106,311</u>
<b><u>Other</u></b>					
Happy Feet Equals Learning Feet	-	-	8,000	8,000	7,000
Junior Achievement Program	-	-	5,000	5,000	-
Housing After School Program	-	-	2,500	2,500	2,500
Migrant Family Adult Leadership	-	-	1,500	1,500	-
Pride Elementary School	-	903	-	903	469
Shop with a Cop-Citizen's Police Academy	-	575	-	575	1,437
Lower Green River Watershed	-	259	-	259	-
St. Anthony's Hospice	-	154	-	154	-
Other Agencies	-	145	-	145	395
Heroes Encouraging Healthy Living	-	-	-	-	3,600
Other United Ways	-	-	-	-	49
Total Other	<u>-</u>	<u>2,036</u>	<u>17,000</u>	<u>19,036</u>	<u>15,450</u>
<b><u>TOTAL</u></b>	<u>\$ 236,818</u>	<u>\$ 9,456</u>	<u>\$ 22,000</u>	<u>\$ 268,274</u>	<u>\$ 301,106</u>