

**Mission Statement:** "United Way collaborates with partner agencies to strengthen and improve Health, Education and Income Stability in Southeast Alaska."

**United Way of Southeast Alaska**

**Board of Directors Meeting**

Thursday, December 15, 2016

5:15-7:00 PM

United Way of Southeast Alaska 3225 Hospital Drive, Suite 106

Teleconference: (800) 315-6338, Code: 32251#

---

- I. **CALL TO ORDER and INTRODUCTIONS** –Chair Mesdag
- II: **APPROVAL OF AGENDA** – Corrections/Additions
- III: **APPROVAL OF MINUTES** – Corrections/Additions  
November 17, 2016 Board meeting minutes
- IV: **PRESENTATIONS** – Introduction of Jacob Cocks – 2016-2017 AmeriCorps Volunteer
- V: **COMMITTEE REPORTS**
  - Resource Development**
    - Finance Committee** –
    - Campaign Committee** –Mark Mesdag  
Juneau Campaign Update – Sara Truitt
    - Events Committee - Orca Point Dinner Cruise May 3, 2017**
  - Governance Committee**
    - Board Development Committee** – Mark Mesdag, Warren Russell
    - Personnel Committee** –Ann Gifford, Rosemary Hagevig
- VI: **STRATEGIC DISCUSSIONS** –
  - December – **Financial Stability Committee** – Millie Ryan, Mark Mesdag
  - February – **Education Committee** – Ann Gifford, Robbie Stell, Kendri Cesar
  - March - **Health Committee** – Warren Russell, Kendri Cesar, Fred Parady
- VII: **New Business** –
  - 2016 Audit Presentation**
  - AmeriCorps program**
  - Election of new Board Members Chris and Brittany Pace**
- VIII: **CHAIR REPORT** – Mark Mesdag
- IXI: **RESOURCE DEVELOPMENT DIRECTOR REPORT** – Sara Truitt
- X: **PRESIDENTS REPORT** – Wayne Stevens
- XI: **BOARD MEMBER COMMENTS**
- XII: **ADJOURNMENT**

**Next Meeting January 21, 2016**

**Vision Statement:** "United Way of Southeast Alaska addresses individual needs and improves lives by organizing the caring and collaborative power of our communities"



## United Way of Southeast Alaska Board of Directors Meeting

Thursday, November 17, 2016  
5:15-7:00 PM

United Human Services Conference Room 3225 Hospital Drive, Suite 101, Juneau, AK

### Board Members in Attendance

Board Members in Attendance					
X	Mark Mesdag - Chair	X	Joy Lyon		<b>Staff</b>
A	Rustan Burton – Past Chair	X	Praveen Mekala	E	Wayne Stevens
X	Ann Gifford– Secretary	T	Fred Parady	X	Sara Truitt
E	Bill Peters –Treasurer	E	Warren Russell		
X	Kendri Cesar	X	Millie Ryan		<b>Guest(s):</b>
X	Rosemary Hagevig	X	Robbie Stell		
Legend: X = present      E = excused absence      T = teleconference      A=absent					

#### Call to Order and Introductions

Chair Mesdag called the meeting to order at 5:22 PM. A quorum was established with eight members present.

#### Approval of Agenda

**Motion:** Board Member Hagevig moved to adopt the agenda as presented. Board Member Stell seconded the motion.

Chair Mesdag asked if there were any objections to adopting the agenda as presented. Members expressed no objections to the adoption of the agenda as presented.

**With no objections, the agenda was adopted as presented.**

#### Approval of Minutes

**Motion:** Board Member Gifford moved to approve the minutes from the October 27, 2016 Board of Directors meeting. Board Member Hagevig seconded the motion.

**Motion to approve minutes as presented was approved unanimously.**

#### PRESENTATIONS – Introduction of Jacob Cocks – 2016-2017 AmeriCorps Volunteer

As Jacob was absent from the meeting, Resource Development Director Truitt briefly explained that UWSE’s newest AmeriCorps member had just begun his term of service the day before. Ms. Truitt noted that Jacob was anticipated to serve a term through October 2017 as a member of the Sitka AmeriCorps program run by Faith Lee with the Sitka School District.

#### Committee Reports

##### Resource Development

##### Finance Committee – Treasurer Peters

Chair Mesdag reported that there had not been a meeting this month. Report was not provided.

# United Way of Southeast Alaska Board of Directors Meeting

Thursday, November 17, 2016  
5:15-7:00 PM

United Human Services Conference Room 3225 Hospital Drive, Suite 101, Juneau, AK

## Campaign Committee – Bill Peters, Rustan Burton, Mark Mesdag

**Juneau Campaign Update** – RDD Truitt explained that this is a point in the campaign when numbers were not in. However, all major giving workplaces have been approached for a campaign presentation at this point. RDD Truitt highlighted the important ones still in progress: CBJ – a major donor last year – is launching their campaign internally, having created an intranet page for their employees. Jennifer Mannix, Bob Bartholomew and Carl Uchtyl are all working together to promote the campaign. RDD Truitt also noted that efforts have been put forth at AELP to re-engage them this year. UAS’s Provost Karen Carey and Peggy Cowan have been working with RDD Truitt to target early December as a roll out for their internal campaign. Truitt agreed to send out the list of workplaces that she could use additional connection with in order to tie up all loose ends.

## Ketchikan Campaign Update –

Chair Mesdag reported that UWSE was well received in Ketchikan. He, Peggy Cowan, Campaign Co-Chair and President Stevens presented at the Ketchikan Chamber of Commerce about United Way. The audience reaction was positive. Several people noted they did not realize the reach UWSE already has in their community. The team made visits to the Ketchikan School District, Vigor Shipyard, Allen Marine, Ketchikan Wellness Coalition, Big Brothers Big Sisters, SAIL, and TSS The Safety Specialists. Tena Williams, Publisher of the Ketchikan Daily News, and Stevens met with a number of the partner agencies over lunch on Tuesday. The trip was deemed a success.

## Events Committee

Chair Mesdag reiterated that the Events Committee needs members, reminding the board of the Cruise for a Cause each May. Some discussion among the board ensued regarding inviting non-board members to the committee.

## Governance

### Board Development Committee – Mark Mesdag, Warren Russell

Chair Elect Mesdag said that he is pursuing three leads for the board. He identified two who were discussed last month whom he believes will be deciding soon.

### Personnel Committee – Bill Peters, Ann Gifford, Rosemary Hagevig

With regard to Peters’ pending departure from the board, Member Gifford acknowledged there was a need to find another committee chair. Gifford explained that due to Member Hagevig’s long history managing nonprofits, she nominated Hagevig for chair. Ms. Hagevig asked for brief clarification of duties. Gifford explained that, given the recent revision of job descriptions and evaluation tools, the main responsibility of the committee is to lead the conduct of the President’s annual review. Hagevig agreed to serve as chair moving forward.

## VI: STRATEGIC DISCUSSIONS –

### Education Committee - Robbie Stell, Ann Gifford, Joy Lyon, Kendri Cesar, Lisa Richardson

Committee Chair Gifford summarized the Reading Tutor program’s current status. Coordinator Worl reports that there has been some natural attrition of tutors this year.

# United Way of Southeast Alaska Board of Directors Meeting

Thursday, November 17, 2016  
5:15-7:00 PM

**United Human Services Conference Room 3225 Hospital Drive, Suite 101, Juneau, AK**

However, with the influx of Coast Guard tutors, those numbers are expected to climb again. Member Lyon reviewed the current plan for the “Resilience” film. She is working with Trevor Storrs of the Alaska Children’s Trust to get the film shown in Juneau. The date for the showing is January 17, with several folks working on establishing times and location.

## **Income Stability Committee – Millie Ryan, Bill Peters, Mark Mesdag**

– No report

## **Health Committee – Kendri Cesar, Warren Russell, Fred Parady, Praveen Mekala**

Board Member Cesar reported that the Health Committee met with Jayne Andreen to discuss the Community Health Improvement Network Project that she was working on before her recent retirement from the State of Alaska, Dept. of Health and Human Services. Cesar explained that the committee is now exploring contracting with Ms. Andreen on this project.

Member Mekala mentioned a grant opportunity that SEARHC and United Way might collaborate on to provide additional service to the Southeast Region. Member Mekala explained further his viewpoint of seeing this as a way of connecting patients to service that wouldn’t be available to them via Bartlett or SEARHC. Mr. Mekala identified that the project would utilize ACO’s: Accountable Community Organizations which are federal grant dollars. He foresees potential role of UWSE to generate revenue by taking an administrative percentage for managing the grants that would be obtained for this project.

## **New Business**

### **Set Date for Annual Meeting in January**

Chair Mesdag noted that he would like to propose scheduling the annual meeting and the strategic planning session for the same day. He noted that scheduling the annual meeting for the typical third Thursday of the month would place the annual meeting on Jan 19<sup>th</sup>. Chair Mesdag asked for board members’ thoughts on holding both meetings on Saturday the 21<sup>st</sup>. As members were absent, Ms. Truitt was directed to email all board members soliciting their preferences for annual meeting and strategic planning date and time options. Ms. Truitt also offered to look into venue options for the dinner, explaining that the Hangar ballroom was currently under renovation and thus the annual meeting might be moved to a different restaurant.

### **Set Date for January Strategic Thinking**

Chair Mesdag briefly explained that the strategic thinking session would not drill down too deep. He felt the current strategic plan was good and this session would be a facilitated discussion meant to build on what is already in place and establish benchmarks for the coming year.

### **Over the Edge fundraising opportunity decision**

RDD Ms. Truitt quickly reviewed the concept of what the Over the Edge’s Fundraising (OTE) concept was. Ms. Truitt also reminded the board that this was the point in time where they would need to decide if they wanted to go through with it as the exclusivity 30 day contract expired on Nov 26th. The questions that had been posed at the previous meeting for RDD Truitt to follow up on were cost to us/success rate vs. refunds.

# United Way of Southeast Alaska Board of Directors Meeting

Thursday, November 17, 2016  
5:15-7:00 PM

**United Human Services Conference Room 3225 Hospital Drive, Suite 101, Juneau, AK**

The board discussed their reservations with the \$18,000 price tag of the event. RDD Truitt reiterated that UWSE would have exclusive rights to the event for the price and the option to renew for the following year as well as ongoing planning support from the OTE crew.

The board discussed the allure of doing such a different and unique event. Board Member Gifford noted that there were many outdoor recreation options here in Juneau and perhaps it would be better to work with local partners to design a large fundraiser. The board instructed RDD Truitt to ask OTE to give them until the end of the month to make a final decision. RDD Truitt stated that she would do so but that she strongly believed that the company would not approve an extension.

The board chose not to move forward with deciding “yes” or “no” on the OTE fundraiser at this meeting, recognizing that failure to approve the project now could result in the loss of the opportunity, but preferring to consider this and other options further before making such a commitment.

## **Accept resignation of Treasurer Bill Peters**

Chair Mesdag explained that Treasurer Peters was working to establish a new Rotary club in town, the meetings of which would conflict with the Third Thursday of the month UWSE Board meetings.

**Motion: Board Member Hagevig moved to approve Treasurer Peter’s resignation with regret. Board Member Stell seconded the motion.**

**Motion to accept the resignation of Treasurer Bill Peters with regrets approved unanimously**

## **Chairs Report – Chair Mesdag**

Chair Mesdag noted that he had nothing further to report at this time. He reiterated the importance of setting up the Annual Meeting and Strategic planning sessions.

## **Resource Development Director Report – Sara Truitt**

RDD Truitt noted that the bulk of her report was already given during the Campaign Committee report and the OTE conversation. RDD Truitt noted her only remaining item was to share that Sharon Gaipman, producer of King Island Christmas, had confirmed that this year’s proceeds from KIC would be donated to UWSE. Board Member Hagevig asked for the dates and times of the performances, which RDD Truitt gave, and also explained that she would follow up with an email that would contain all dates/times/locations so that board members could plan to attend.

## **President’s Report**

President report included in the packet for review. President Stevens was not present for this meeting.

## **Board Member Comments**

None

## **Adjournment**

Chair Mesdag adjourned the meeting at 7:00 PM

## United Way of Southeast Alaska

3225 Hospital Drive, Suite 106  
Juneau, Alaska 99801  
tel 907.463.5530

[unitedwayseak.org](http://unitedwayseak.org)



**MINUTES** of the Education Committee Meeting

Date of meeting: Nov 29, 2016 Time: 12pm

Place: AEYC Conference Room

Members Present (first & last name): Ann Gifford, Joy Lyon, Robbie Stell, Lisa Worl, Kendri Cesar,

Members absent (excused): Lisa Richardson

Other persons present: Sara Truitt. Carol Race & Louise Miller w/Friends of the Library

Chairperson: Ann Gifford

**ITEMS DISCUSSED:** Reading on the Fly: partnership with Alaska Airlines and Friends of the Library (FofL). Erin Kirkland of Reading on the Fly is working with Alaska Airlines to obtain shelves. Discussion of logistics for collecting and delivering books to airport. Between FofL, UW and Alaska Airlines employees with ties to AEYC, volunteers to help with stock books appear plentiful. FofL noted several practical questions to review with Erin including whether Young Adult (YA) books should be included, what standards have been set regarding condition of books, what protocol should be followed regarding book inscriptions and what are the dimensions of the planned shelving, as that potentially affects the size and number of books to be collected each month. Discussion that Baby Ravens Reads through Sealaska Heritage may be interested in donating books. Discussion about labels for the books and QR code to link to UW Website with information on the various partners potentially involved and potential for second set of shelves at airport near local air carriers.

Reading Tutors: Worl shared that program is up and running at Harborview, Riverbend and Gastineau. Several advertisements have been playing on the radio. New Coast Guard members have begun tutoring and others starting soon. Discussion regarding recruiting state office workers in Douglas, to alleviate loss of tutors at Gastineau.

Resilience Film: Lyon shared that the movie will show on Jan 17<sup>th</sup> at either Centennial or the Elizabeth Peratrovich Hall @ 5-7pm. Trevor Storrs of Alaska Childrens Trust will be present to facilitate community café discussion following film. Truitt will consult UW President Stevens regarding options for obtaining funding of refreshments.

**DECISIONS MADE:**

**RECOMMENDATIONS TO BOARD FOR APPROVAL:**

Adjourned at: 1:15pm

UNITED WAY OF SOUTHEAST ALASKA

Letter to the Governing Board

Year Ended August 31, 2016

**PRELIMINARY DRAFT**  
FOR DISCUSSION PURPOSES ONLY



**UNITED WAY OF SOUTHEAST ALASKA**

**Letter to the Governing Board**

**Year Ended August 31, 2016**

**PRELIMINARY DRAFT**  
**FOR DISCUSSION PURPOSES ONLY**

Month XX, 201X

To the Board of Directors  
United Way of Southeast Alaska  
Juneau, Alaska

Ladies and Gentlemen:

We have audited the financial statements of United Way of Southeast Alaska (UWSEAK) for the year ended August 31, 2016, and have issued our report thereon dated Month XX, 201X. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 24, 2016. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Accounting Policies and Transactions

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by UWSEAK are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

#### Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the useful lives and depreciation methods of leasehold improvements and equipment is based on industry trends and norms. We evaluated the key factors and assumptions used to develop the useful lives of equipment in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the collectability of pledges receivable is based on a review of the pledges receivable aging summary and prior experiences with individuals and agencies. We evaluated the key factors and assumptions used to develop the estimate of collectability of accounts receivable in relation to the financial statements taken as a whole.

Management's estimate of the value of donated services, supplies and rental space are based on fair market value of those items. We evaluated the key factors and assumptions used to develop the estimate of the value of donated services, supplies and rental space in determining that it is reasonable in relation to the financial statements taken as a whole.

**PRELIMINARY DRAFT**  
FOR DISCUSSION PURPOSES ONLY

Management's estimate of functional expenses is based on the programs and supporting activities benefited. We evaluated the key factors and assumptions used to develop the functional expense classification in determining that it is reasonable in relation to the financial statements taken as a whole

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not identify any misstatements that were material, either individually or in the aggregate, to the financial statements taken as a whole.

Summarized below is the misstatement that management has determined to be immaterial, both individually and in the aggregate, to the financial statements as a whole. The misstatements was not corrected by management:

- The ANDAR pledge tracking system is \$2,931 lower than the Accounts Receivable balance reported in the General Ledger.
- The ANDAR pledge tracking system is \$1,642 lower than the Accounts Payable balance reported in the General Ledger.
- Temporary restricted net assets was overspent \$2,202 and not adjusted prior to audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated Month XX, 201X.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

As part of our audit we identified conditions that have lead us to believe that there is substantial doubt about United Way of Southeast Alaska to continue as a going concern. United Way of Southeast Alaska has suffered recurring significant negative changes in net assets over the last couple of years; this along with a significant decrease in current assets have lead us to believe there is a substantial doubt that United Way of Southeast Alaska will continue as a going concern.

Internal Control

In planning and performing our audit of the financial statements of UWSEAK as of and for the year ended August 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered UWSEAK's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the UWSEAK's internal control. Accordingly, we do not express an opinion on the effectiveness of UWSEAK's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of the section and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of the Board of Directors and management of UWSEAK, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Anchorage, Alaska

**PRELIMINARY DRAFT**  
FOR DISCUSSION PURPOSES ONLY

**UNITED WAY OF SOUTHEAST ALASKA**

**Financial Statements  
(with Independent Auditor's Report Thereon)**

**Years Ended August 31, 2016 and 2015**

**PRELIMINARY DRAFT  
FOR DISCUSSION PURPOSES ONLY**

UNITED WAY OF SOUTHEAST ALASKA

Financial Statements  
(with Independent Auditor's Report Thereon)

Years Ended August 31, 2016 and 2015

**PRELIMINARY DRAFT**  
FOR DISCUSSION PURPOSES ONLY

UNITED WAY OF SOUTHEAST ALASKA

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-13

**PRELIMINARY DRAFT**  
**FOR DISCUSSION PURPOSES ONLY**

(This page was left blank intentionally)

**PRELIMINARY DRAFT**  
FOR DISCUSSION PURPOSES ONLY



## **Independent Auditor's Report**

Members of the Board of Directors  
United Way of Southeast Alaska  
Juneau, Alaska

We have audited the accompanying financial statements of United Way of Southeast Alaska (a nonprofit organization), which comprise the statements of financial position as of August 31, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Members of the Board of Directors  
United Way of Southeast Alaska

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Southeast Alaska, as of August 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis-of-Matter Regarding Going Concern**

The accompanying financial statements have been prepared assuming that United Way of Southeast Alaska will continue as a going concern. As discussed in Note VIII to the financial statements, United Way of Southeast Alaska has suffered recurring significant reductions in campaign revenues and has a net deficiency in net assets that raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note VIII. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Anchorage, Alaska  
Month XX,XXXX

UNITED WAY OF SOUTHEAST ALASKA

Statements of Financial Position

August 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Assets:</b>		
<b>Current:</b>		
Cash and cash equivalents	\$ 9,026	29,923
Certificates of deposit	82,722	112,985
Pledges receivable	123,599	141,527
Other receivable	44	44
Prepaid expenses	3,355	3,775
Total current assets	<u>218,746</u>	<u>288,254</u>
<b>Non-current:</b>		
Equipment, net of accumulated depreciation of \$7,964 in 2016 and \$7,942 in 2015	<u>-</u>	<u>43</u>
Total assets	<u><u>218,746</u></u>	<u><u>288,297</u></u>
<b>Liabilities:</b>		
Cash overdraft	-	10,763
Accounts payable	20,073	8,777
Designations payable	110,168	125,599
Accrued payroll	12,884	13,040
Deferred revenue	500	500
Total liabilities	<u>143,625</u>	<u>158,679</u>
<b>Net assets:</b>		
<b>Temporarily restricted:</b>		
Literacy Program	36,841	28,982
Disabilities Awareness and Empathy Training	1,956	1,393
Financial Literacy	1,674	5,000
Diversity program	-	5,000
Total temporarily restricted net assets	<u>40,471</u>	<u>40,375</u>
<b>Unrestricted:</b>		
Designated for:		
Property and equipment	-	43
Community impact	-	26,166
Undesignated	34,650	63,034
Total unrestricted net assets	<u>34,650</u>	<u>89,243</u>
Total net assets	<u>75,121</u>	<u>129,618</u>
Total liabilities and net assets	<u>\$ 218,746</u>	<u>288,297</u>

See accompanying notes to financial statements.

UNITED WAY OF SOUTHEAST ALASKA

Statements of Activities

Years ended August 31, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenues and support:</b>						
SHARE campaign	\$ 84,391	-	84,391	82,643	-	82,643
Private campaign	258,514	-	258,514	274,843	-	274,843
Combined federal campaign	32,048	-	32,048	32,969	-	32,969
Total campaign results	374,953	-	374,953	390,455	-	390,455
<b>Less:</b>						
Donor designations	(182,988)	-	(182,988)	(198,924)	-	(198,924)
Provision for uncollectable campaign pledges expense	(2,354)	-	(2,354)	(643)	-	(643)
Net campaign results	189,611	-	189,611	190,888	-	190,888
Collections of prior year campaign contributions greater than amount anticipated	-	-	-	2,265	-	2,265
Non-campaign contributions	-	29,300	29,300	-	30,000	30,000
Miscellaneous income	8,347	-	8,347	12,498	-	12,498
In-kind contributions	62,234	-	62,234	28,789	-	28,789
Program tuition	19,024	-	19,024	43,714	-	43,714
Interest income	473	-	473	684	-	684
Net assets released from restriction	29,204	(29,204)	-	8,189	(8,189)	-
Total revenues and support	308,893	96	308,989	287,027	21,811	308,838
<b>Expenses:</b>						
Program services:						
Fund distributions	9,945	-	9,945	27,826	-	27,826
Community impact	94,044	-	94,044	91,758	-	91,758
Total program services	103,989	-	103,989	119,584	-	119,584
Supporting services:						
Management and general	134,636	-	134,636	145,547	-	145,547
Fundraising	124,861	-	124,861	73,875	-	73,875
Total supporting services	259,497	-	259,497	219,422	-	219,422
Total expenses	363,486	-	363,486	339,006	-	339,006
Change in net assets	(54,593)	96	(54,497)	(51,979)	21,811	(30,168)
Net assets at beginning of year	89,243	40,375	129,618	141,222	18,564	159,786
Net assets at end of year	\$ 34,650	40,471	75,121	89,243	40,375	129,618

See accompanying notes to financial statements.

UNITED WAY OF SOUTHEAST ALASKA

Statements of Functional Expenses

Years ended August 31, 2016 and 2015

	2016						Total Program and Supporting Services
	Program Services			Supporting Services			
	Fund Distributions	Community Impact	Total	Management and General	Fundraising	Total	
Expenses:							
Salaries and benefits	\$ -	28,778	28,778	75,571	23,365	98,936	127,714
Payroll taxes	-	2,589	2,589	8,709	2,104	10,813	13,402
Professional fees	9,945	17,248	27,193	25,303	5,668	30,971	58,164
Office rent	-	13,733	13,733	-	3,530	3,530	17,263
Telephone and Internet	-	-	-	4,467	-	4,467	4,467
Office supplies	-	598	598	3,771	3,150	6,921	7,519
Printing	-	2,533	2,533	-	8,828	8,828	11,361
Postage	-	12	12	383	3,919	4,302	4,314
Advertising	-	1,676	1,676	77	69,256	69,333	71,009
Fees and licenses	-	-	-	4,156	290	4,446	4,446
Bank fees	-	-	-	111	1,614	1,725	1,725
Insurance	-	-	-	3,241	-	3,241	3,241
Events and meetings	-	3,255	3,255	3,344	268	3,612	6,867
Training and development	-	1,135	1,135	931	25	956	2,091
SE travel	-	2,032	2,032	2,091	296	2,387	4,419
Technology operations	-	1,500	1,500	2,198	98	2,296	3,796
Depreciation	-	-	-	43	-	43	43
Recognition Awards	-	18,955	18,955	240	2,450	2,690	21,645
Total expenses	\$ 9,945	94,044	103,989	134,636	124,861	259,497	363,486

(continued)

PRELIMINARY DRAFT  
FOR DISCUSSION PURPOSES ONLY

UNITED WAY OF SOUTHEAST ALASKA  
Statements of Functional Expenses, continued

	2015						Total Program and Supporting Services
	Program Services			Supporting Services			
	Fund Distributions	Community Impact	Total	Management and General	Fundraising	Total	
Expenses:							
Salaries and benefits	\$ 14,581	8,868	23,449	71,376	30,323	101,699	125,148
Payroll taxes	1,266	732	1,998	12,874	2,669	15,543	17,541
Professional fees	11,127	21,527	32,654	20,567	2,328	22,895	55,549
Office rent	-	-	-	12,138	-	12,138	12,138
Telephone and Internet	-	-	-	3,137	-	3,137	3,137
Office supplies	-	527	527	3,297	1,342	4,639	5,166
Printing	-	289	289	16	12,360	12,376	12,665
Postage	-	-	-	601	455	1,056	1,056
Advertising	-	9,953	9,953	242	12,979	13,221	23,174
Community relations	-	30,273	30,273	822	-	822	31,095
Fees and licenses	-	-	-	4,576	250	4,826	4,826
Bank fees	-	-	-	159	1,959	2,118	2,118
Insurance	-	-	-	2,904	-	2,904	2,904
Events and meetings	628	19,180	19,808	4,454	860	5,314	25,122
Training and development	-	249	249	-	-	-	249
SE travel	224	30	254	6,023	-	6,023	6,277
Technology operations	-	-	-	735	-	735	735
Depreciation	-	-	-	575	-	575	575
Recognition Awards	-	130	130	1,051	8,350	9,401	9,531
Total expenses	\$ <u>27,826</u>	<u>91,758</u>	<u>119,454</u>	<u>145,547</u>	<u>73,875</u>	<u>219,422</u>	<u>339,006</u>

PRELIMINARY DRAFT  
FOR DISCUSSION PURPOSES ONLY

See accompanying notes to financial statements.

UNITED WAY OF SOUTHEAST ALASKA

Statements of Cash Flows

Years Ended August 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from (used) by operating activities:		
Change in net assets	\$ (54,497)	(30,168)
Adjustments to reconcile change in net assets to net cash flows provided (used) by operating activities:		
Depreciation	43	575
(Increase) decrease in:		
Pledges receivable	17,928	(13,032)
Accrued interest	-	-
Prepaid expenses	420	6,585
(Increase) decrease in:		
Accounts payable	11,296	(19,529)
Designations payable	(15,431)	(4,156)
Accrued payroll	(156)	1,981
Deferred revenue	-	500
Net cash provided (used) by operating activities	<u>(40,397)</u>	<u>(57,244)</u>
Cash flows from (used) by investing activities:		
Purchase of certificates of deposit	<u>30,263</u>	<u>(610)</u>
Increase (decrease) in cash and cash equivalents	(10,134)	(57,854)
Cash and cash equivalents at beginning of year	<u>19,160</u>	<u>77,014</u>
Cash and cash equivalents at end of year	\$ <u><u>9,026</u></u>	<u><u>19,160</u></u>
Cash and cash equivalents are comprised of:		
Cash and cash equivalents	9,026	29,923
Cash overdraft	-	(10,763)
Total cash and cash equivalents	\$ <u><u>9,026</u></u>	<u><u>19,160</u></u>
Supplemental disclosures:		
Noncash transactions -		
In-kind contributions	\$ <u><u>62,234</u></u>	<u><u>28,789</u></u>

See accompanying notes to financial statements.

UNITED WAY OF SOUTHEAST ALASKA

Notes to Financial Statements

August 31, 2016 and 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. General Organization and Purpose**

United Way of Southeast Alaska (UWSEAK) was organized for the purpose of assessing on a continuing basis the need for health and social service programs; to seek solutions to human problems; to assist in the development of United Way member agencies; to promote preventive activities; and to foster cooperation among local, state, and national agencies serving the community. In fulfilling these purposes, UWSEAK receives and distributes both private and public pledges in accordance with the donor wishes through three different fundraising campaigns: the private campaign, SHARE (State of Alaska) Campaign, and the Combined Federal Campaign.

The private campaign is administered by United Way of Southeast Alaska who is responsible for managing the fundraising drives, and collecting and disbursing all moneys received from the annual campaigns. The SHARE campaign is administered by United Way of Anchorage but UWSEAK is responsible for disbursing all pledges per the donor's designation.

**B. Basis of Accounting**

United Way of Southeast Alaska's financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and accordingly reflect all significant receivables, payables, and other liabilities.

**C. Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board, UWSEAK is required to report information regarding its financial position and activities according to three classes of net assets:

*Unrestricted net* assets represent the portion of net assets of UWSEAK that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

*Temporarily restricted* net assets represents the portion of net assets of UWSEAK whose use is limited by the donor-imposed stipulations that either expire by the passage of time or can be fulfilled by actions of UWSEAK. When the stipulated time restriction ends or action is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.



## UNITED WAY OF SOUTHEAST ALASKA

### Notes to Financial Statements, Continued

*Permanently restricted* net assets represent the portion of net assets from contributions and grants whose use by UWSEAK is limited by the donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of UWSEAK.

#### **D. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, UWSEAK considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

#### **E. Certificates of Deposit**

UWSEAK classifies certificates of deposit with a maturity of greater than three months from year end as certificates of deposit.

#### **F. Promises to Give and Donor Designations**

Contributions from campaigns are recorded as revenue when United Way is notified in writing of an unconditional pledge. Donor designations are recognized as a receivable and a payable at the time the pledge is made to United Way and are not included in net campaign results.

Annual campaigns are predominantly conducted in the fall. The total results from the annual campaign are reduced by promises to give collected on behalf of others (donor designations) and by a provision for amounts promised but not paid (uncollectible promises to give).

Differences between amounts provided for uncollectible promises to give in each campaign and actual losses are an accounting adjustment in the year following the campaign.

#### **G. Prepaid Expenses**

Payments made to vendors for services that are applicable to future accounting periods are recorded as prepaid expenses.

#### **H. Equipment**

Purchased equipment and software are recorded at cost and are depreciated on the straight-line method using useful lives ranging from 3 to 5 years. Acquisitions in excess of \$5,000 are capitalized.

UNITED WAY OF SOUTHEAST ALASKA

Notes to Financial Statements, Continued

**I. Designations Payable**

Designations payable are based on designated amounts pledged during each of the annual campaigns. This is in accordance with the Code of Federal Regulations for the Combined Federal Campaign. Distributions to agencies are made on a quarterly basis, and are paid net of each agency's share of allocable campaign expenses. Combined Federal and Private Campaign expenses are allocated to each agency in proportion to their percentage of designated contributions.

SHARE campaign expenses are deducted by United Way of Anchorage before releasing the pledges to United Way of Southeast Alaska for distribution. Designations payable consist of current year end amounts due from the Fall 2015 and 2014 campaign pledges.

**J. Deferred Revenue**

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

**K. Advertising**

United Way expenses advertising costs as they are incurred. At August 31, 2016 and 2015 advertising costs were \$71,009 and \$23,174, respectively.

**L. Income Tax Status**

United Way funds qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for federal income taxes has been made. UWSEAK has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Although the Organization is exempt from federal income taxes, any income derived from unrelated business activities is subject to the requirement of filing U.S. Federal Income Tax Form 990-T and a tax liability may be determined on these activities. The Organization's policy is to report interest and penalties associated with uncertain tax positions as interest expense and other expense respectively. Management is not aware of any uncertain tax positions that would require financial statement recognition or disclosure. With few exceptions, the Organization is not subject to audit of its tax returns prior to 2013.

**M. Budgets**

Budgets are adopted for operations annually and are revised as necessary throughout the year.

UNITED WAY OF SOUTHEAST ALASKA

Notes to Financial Statements, Continued

**N. 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 the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**O. Fair Value of Financial Instruments**

The fair value of an asset is the amount at which the asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced or liquidation sale.

The Organization discloses its estimate of the fair value of material financial instruments, including those recorded as assets or liabilities in its financial statements and derivative financial instruments.

The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, (2) certificates of deposit, (3) receivables, net, (4) certain other current assets, (5) accounts payable and (6) other current liabilities. The carrying amounts reported in the statements of financial position for the above financial instruments closely approximate their fair value due to the short-term nature of these assets and liabilities.

**P. Donated Goods and Services**

Donated services are recognized as contributions in accordance with FASB ASC 958, Accounting for Contributions Received and Contributions Made, if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. In-kind contributions for space, supplies, and professional services are recorded in the statement of activities at market value and recognized as revenue and expenses in the period they are received, except for donated equipment, which is recorded as revenue in the period received and the asset is depreciated over its estimated useful life.

**II. CASH AND CASH EQUIVALENTS**

The bank accounts are maintained at three financial institutions. Accounts at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. At August 31, 2016 and 2015, UWSEAK had no uninsured and uncollateralized deposits.

UNITED WAY OF SOUTHEAST ALASKA

Notes to Financial Statements, Continued

III. PLEDGES RECEIVABLE

The pledges receivable balance consist of pledges made during the Fall 2015 and 2014 campaigns, less any amounts received from those campaigns prior to August 31, 2016 and 2015, respectively. The amounts due for each campaign are as follows:

		<u>2016</u>	
Private Campaign	\$	64,557	= 64,555
SHARE Campaign		38,691	
Combined Federal Campaign		<u>20,353</u>	
Total pledges receivable	\$	<u>123,601</u>	- 123,599

Management has determined all receivables are fully collectible and an allowance for doubtful accounts has been established.

IV. DONATED GOODS AND SERVICES

UWSEAK recorded in-kind contributions at August 31, 2016 and 2015 as follows:

		<u>2016</u>	<u>2015</u>
Events	\$	7,634	18,607
Advertising		54,600	8,682
Professional services		<u>-</u>	<u>1,500</u>
	\$	<u>62,234</u>	<u>28,789</u>

All in-kind contributions were used to support program services of UWSEAK.

V. EQUIPMENT

Equipment at August 31, 2016 and 2015 consisted of the following:

		<u>2016</u>	<u>2015</u>
Office equipment	\$	7,985	7,985
Less: accumulated depreciation		<u>(7,985)</u>	<u>(7,942)</u>
Net equipment	\$	<u>-</u>	<u>43</u>

Depreciation expense for fiscal years 2016 and 2015 was \$43 and \$575, respectively.

UNITED WAY OF SOUTHEAST ALASKA

Notes to Financial Statements, Continued

**VI. DESIGNATIONS PAYABLE**

The designations payable consists of the pass-through portion of pledges received during the fall campaign along with the last quarterly distribution of the previous fall pledges received. These previous fall campaign pledges are payable after August 31, 2016 and 2015, respectively. At August 31, 2016 and 2015, the designations payable balances are as follows:

	<u>2016</u>	<u>2015</u>
Private Campaign	\$ 24,034	44,118
SHARE Campaign	58,427	58,502
CFC	<u>27,707</u>	<u>25,979</u>
Total agency	\$ <u>110,168</u>	<u>125,599</u>

**VII. NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors or contractors. During the years ended August 31, 2016 and 2015, UWSEAK incurred expenses related to the following grants and contributions as required by the donor or grantor:

	<u>2016</u>	<u>2015</u>
Literacy program	\$ 19,642	8,189
Financial Literacy	825	-
Disabilities awareness training	<u>8,737</u>	<u>-</u>
Total	\$ <u>29,204</u>	<u>8,189</u>

**VIII. GOING CONCERN**

UWSEAK has suffered recurring losses from operations from 2014 through 2016. Continuing operating losses are being assessed by the CEO; however there can be no assurance that they will be successful in accomplishing their objectives. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**IX. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 1, 2016, the date which the financial statements were available for issue. No events were identified that would require disclosure in accordance with generally accepted accounting principles.

## **Presidents Report for December 15, 2016**

### **Meetings**

- 12/1 – 12/4 out of office
- 12/5 – Kirk Duncan, AmeriCorps program management discussion
- 12/6 – Rotary meeting
- 12/7 – Juneau Community Foundation Profession Advisory Committee
- 12/8 – Chamber Luncheon, Business After Hours Nugget Alaskan Outfitters
- 12/9 – Kristi West, Kirk Duncan AmeriCorps program management, Kirsten Shelton-Walker UHS Nonprofit Center building assessment, SERRC Open House
- 12/12 – UWW Brand teleconference, lunch w/Mark Mesdag, UA discussion with President Johnson et al
- 12/13 – Meet w/AVISTA & AELP representatives, Rotary meeting, Geoff Kirsch writing discussion, Lisa Worl Reading Tutor succession discussion, Juneau Community Foundation Professional Advisory Committee
- 12/14 – Foraker Executive Task Force meeting
- 12/15 – Wells Fargo advisory board meeting, Foraker Operations Board meeting, United Way Board meeting

### **Worked on following tasks –**

- Campaign planning
- Campaign presentation
- 2016 Audit
- FY 2017 Budget
- AmeriCorps Program Management assessment/Development

### **Events attended**

- Juneau Chamber Business After Hours