

**UNITED WAY OF PALM BEACH COUNTY, INC.**  
**TRI-COUNTY COMBINED FEDERAL CAMPAIGN**  
**FINANCIAL STATEMENTS**  
**2006 Campaign Period Ended March 31, 2008**

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Tri-County Combined Federal Campaign  
Miami, Florida

We have audited the accompanying statement of financial position of the Tri-County Combined Federal Campaign ("CFC") for the campaign period ended March 31, 2008 (2006 Campaign), and the related statements of activities, functional expenses and cash flows for the period then ended. These financial statements are the responsibility of the Principal Combined Fund Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S generally accepted auditing standards. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tri-County Combined Federal Campaign for the campaign period ended March 31, 2008, and the changes in its net assets and its cash flows for the period then ended in conformity with U.S. generally accepted accounting principles.

*Mayer Hoffman McCann P.C.*

Boca Raton, Florida  
June 20, 2008

TRI-COUNTY COMBINED FEDERAL CAMPAIGN

STATEMENT OF FINANCIAL POSITION

March 31, 2008

**ASSETS**

Cash and cash equivalents	\$	-
Pledges and interest receivable		-
Computer equipment, less accumulated depreciation of \$2,878		<u>38</u>
TOTAL ASSETS	\$	<u><u>38</u></u>

**LIABILITIES AND NET ASSETS**

LIABILITIES:		
PCFO administrative expense payable	\$	<u>-</u>
NET ASSETS:		
Unrestricted		<u>38</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>38</u></u>

See Notes to Financial Statements

**TRI-COUNTY COMBINED FEDERAL CAMPAIGN**

**STATEMENT OF ACTIVITIES**

For the Campaign Period Ended March 31, 2008

**CAMPAIGN RESULTS AND OTHER REVENUES:**

**CAMPAIGN RESULTS:**

Contributions/Pledges	\$ 1,753,871
Less: cancellations and uncollected pledges	<u>(123,458)</u>
Net campaign results	1,630,413

**OTHER REVENUES:**

Interest on bank account	<u>5,988</u>
Net contributions	1,636,401

Less: Net distributions to other agencies	(1,377,980)
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<b>NET CAMPAIGN RESULTS AND OTHER REVENUES</b>	<u><u>258,421</u></u>
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**OPERATING EXPENSES:**

Salaries	113,175
Employee benefits and taxes	29,724
Supplies	2,872
Postage	1,863
Printed Materials	20,415
Advertising	2,841
Travel	7,761
Occupancy	3,768
Telephone	367
Meeting and events	20,665
Audit	25,500
Recognition	29,470
Depreciation	<u>971</u>
Total operating expenses	<u><u>259,392</u></u>

CHANGE IN UNRESTRICTED NET ASSETS	(971)
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NET ASSETS AT BEGINNING OF CAMPAIGN	<u>1,009</u>
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NET ASSETS AT END OF CAMPAIGN	<u><u>\$ 38</u></u>
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See Notes to Financial Statements

**TRI-COUNTY COMBINED FEDERAL CAMPAIGN**

**STATEMENT OF FUNCTIONAL EXPENSE**

Campaign Period Ended March 31, 2008

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Total</u>
	<u>Fund Distribution</u>	<u>Fund Raising</u>	<u>General &amp; Management</u>	<u>Total Supporting Services</u>	
<b>OPERATING EXPENSES</b>					
Salaries	\$ 3,567	\$ 100,977	\$ 8,631	\$ 109,608	\$ 113,175
Employee Benefit and Taxes	999	26,309	2,416	28,725	29,724
Supplies	-	2,872	-	2,872	2,872
Postage	-	1,863	-	1,863	1,863
Printed Materials	-	20,415	-	20,415	20,415
Advertising	-	2,841	-	2,841	2,841
Travel	-	7,761	-	7,761	7,761
Occupancy	-	3,768	-	3,768	3,768
Telephone	-	367	-	367	367
Meetings & Events	-	20,665	-	20,665	20,665
Audit	12,750	-	12,750	12,750	25,500
Recognition	-	29,470	-	29,470	29,470
Depreciation	-	971	-	971	971
	<u>\$ 17,316</u>	<u>\$ 218,279</u>	<u>\$ 23,797</u>	<u>\$ 242,076</u>	<u>\$ 259,392</u>

See Notes to Financial Statements

TRI-COUNTY COMBINED FEDERAL CAMPAIGN

STATEMENT OF CASH FLOWS

Campaign Period Ended March 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from contributors	\$ 1,630,413
Cash payments to participating agencies	(1,377,980)
Cash received from investment income	5,988
Cash payments to employees and suppliers	<u>(258,421)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>-</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF CAMPAIGN	-
CASH AND CASH EQUIVALENTS AT END OF CAMPAIGN	<u><u>\$ -</u></u>
Reconciliation of Change in Net Assets to Cash and Cash Equivalents from Operating Activities:	
Change in net assets	\$ (971)
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	971
Net cash flows from operating activities	<u><u>\$ -</u></u>

See Notes to Financial Statements

# TRI-COUNTY COMBINED FEDERAL CAMPAIGN

## NOTES TO FINANCIAL STATEMENTS

### (1) Summary of significant accounting policies

**Organization and Business** - Tri-County Combined Federal Campaign ("CFC") enables Federal employees in Miami-Dade, Monroe and Broward County to provide financial support to various not-for-profit organizations through annual fund raising campaigns.

This is the second Tri-County Combined Federal Campaign that United Way of Palm Beach County has administered.

**Combined Federal Campaign Agreement** - The policies and procedures for conducting the annual campaign are governed by the U.S. Office of Personnel Management. The agreement between the Principal Combined Fund Organization ("PCFO") ("United Way") and the Local Federal Coordinating Committee established an amount to be reimbursed for expenses, which reflects the actual costs of administering the local campaign. The agreement obligates the United Way to disperse allocations to participating agencies quarterly. As a result of the United Way's economic interest, CFC is consolidated in the United Way's financial statements.

**Basis of Financial Statement Presentation** - The financial statements of CFC have been prepared on the accrual basis of accounting, as prescribed by the CFC Audit Guide.

Net Assets are classified based on the existence or absence of donor-imposed restrictions as follows:

- Unrestricted- net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted- net assets subject to donor-imposed stipulations that may or will be met either by actions of CFC and/or passage of time.
- Permanently restricted- net assets subject to donor-imposed stipulations that they be maintained permanently by CFC.

As of March 31, 2008, CFC has no temporarily restricted or permanently restricted net assets.

**Annual Campaign** - Annual fund raising campaigns are conducted each year from September to December. Allocations to agencies are recorded when the pledge is made by the donor. The proceeds of each campaign are distributed to the agencies during the following year, commencing on April 1, 2007. Therefore, the Fall 2006 campaign commenced in September 2006 and ended March 31, 2008. Contributions of cash and other assets are recorded at fair value and are recognized when the pledges are received. Donor-restricted contributions, whose restrictions are met within the same year as received, are reflected as unrestricted revenue in the accompanying financial statements.

Contributions designated by donors for specified agencies and, therefore, received by CFC in an agency capacity, are reflected as a reduction of annual campaign revenue in the accompanying statement of activities. These contributions, subject to collections and administrative fees, are distributed to those agencies for their unrestricted use unless specifically restricted by the donor. Undesignated contributions received by CFC are distributed to agencies proportionate to the amount of contributions designated by donors to each agency. A provision for pledges estimated to be uncollectible is based, among other

# TRI-COUNTY COMBINED FEDERAL CAMPAIGN

## NOTES TO FINANCIAL STATEMENTS

### (1) Summary of significant accounting policies (continued)

things, on CFC's past collection experience and evaluation of current economic conditions. At the end of the campaign period, any remaining pledge balance is written off.

**Allocations to Agencies** - Allocations are recorded as expense when the pledge is made. Allocations payable represent amounts owed to agencies for contributions pledged. As of March 31, 2008, the balance is zero.

**Cash and Cash Equivalents** - Short-term investments with maturities at the date of purchase of three months or less are classified as cash equivalents and are carried at market value. Cash equivalents include money market securities and other short-term highly liquid investment. As of March 31, 2008, there was no cash and cash equivalents balance related to the campaign period.

**Donated Services** - No amount has been reflected in the financial statements for donated services as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to the fund raising campaign.

**Campaign Expenses** - Campaign expenses are paid by the United Way on behalf of CFC and allocated to CFC based on an estimation of actual expenses, or based upon direct expenses incurred by CFC.

**Functional Expenses** - Expenses are allocated to functional categories based on allocation percentages approved by management. The allocations reflect costs associated with program and supporting service functions.

**Income Taxes** - United Way, as administrator of CFC is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code.

**Use of Estimates** - The preparation of financial statements in conformity with U.S generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of the public support and revenue and expenses during the period. Actual results could differ from these amounts.

The allowance for uncollectible pledges is an estimate established through reductions to public support. Management's judgment in determining the adequacy of the allowance is based upon several factors, which include, but are not limited to, the collection history and management's judgment with respect to current economic conditions.

# TRI-COUNTY COMBINED FEDERAL CAMPAIGN

## NOTES TO FINANCIAL STATEMENTS

### (1) Summary of significant accounting policies (continued)

**Property and equipment** - Property and equipment are recorded at cost if purchased and at their estimated fair value if donated. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service, as instructed by the donor. United Way reclassifies temporarily restricted net assets to unrestricted net assets at that time.

United Way capitalizes any single asset purchased with value equal or over \$1,000 and an estimated useful life of over one year. Depreciation is calculated using the straight-line method.

### (2) Equipment

As of March 31, 2008, equipment consisted of computer equipment purchased for the administration of the campaign at a cost of \$2,916. Associated accumulated depreciation is \$2,878 as of March 31, 2008.

Depreciation expense for the campaign period was \$971.

### (3) Concentration of credit risk

Financial instruments, which potentially subject CFC to significant concentrations of credit risk, consist principally of cash and cash equivalents. CFC maintains deposits in its cash accounts which, at times, are in excess of federally insured limits. CFC places its cash investments with high quality financial institutions and believes that the risk of loss is remote.

As of March 31, 2008, there was no cash and cash equivalents balance related to the campaign period.

**TRI-COUNTY COMBINED FEDERAL CAMPAIGN**

**NOTES TO FINANCIAL STATEMENTS**

**(4) SUMMARY OF ALLOCATIONS TO PARTICIPATING AGENCIES**

CFC distributes the total amount of net contributions from each campaign to participating agencies based on donor designations and on allocations of undesignated contributions. The allocations to federated groups and unaffiliated agencies are as follows:

	Gross Designation	Distribution
(USO) United Service Organizations	\$ 7,523	\$ 5,907
Aid to Africa	9,080	7,130
American Red Cross	62,012	48,689
America's Charities	79,620	62,514
Animal Charities of America	55,863	43,861
CancerCURE of America	63,769	50,069
Children First-America's Charities	34,198	26,851
Children's Charities of America	51,748	40,630
Children's Medical Charities America	21,375	16,783
Christian Charities, USA	25,012	19,639
Christian Service Charities	56,399	44,283
Community Health Charites	166,043	130,370
Community Health Charities of Fla	67,705	53,160
Conservation & Preservation	10,188	7,999
Do Unto Others	20,282	15,925
Earth Share	29,429	23,107
Educate America	5,427	4,261
Global Impact	58,629	46,033
Health & Medical Research Charities	92,479	72,611
Health First - America's Charities	17,847	14,013
Hispanic United Fund	9,940	7,805
Human & Civil Rights Organizations	10,441	8,198
Human Care Charities of America	20,063	15,753
Human Service Charities of America	7,789	6,116
Israel Fund, Inc. dba Tzedakah	3,173	2,492
Jewish Charities of America	4,897	3,845
Latin America Fund, Inc. dba Ayuda	2,687	2,110
Medical Research Charities	36,322	28,518
Mental Health Organizations America	3,335	2,618
Military, Veterans & Patriotic Serv	69,063	54,226
National Black United Federation	22,406	17,593
Sports Charities, USA	2,393	1,879
The Arts Federation	572	458
Women, Children & Family Service	22,670	17,800
United Way of Broward County	90,122	70,760
United Way of Miami-Dade	100,871	79,200
United Way of Palm Beach County	6,388	5,016
Local Unaffiliated	247,514	194,511
National Unaffiliated Orgs	117,010	92,365
International Unaffiliated Orgs	41,587	32,882
	<u>\$ 1,753,871</u>	<u>\$ 1,377,980</u>