UNITED WAY OF JACKSON COUNTY

Financial Statements

For the Year Ended June 30, 2016

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Clark Nuber PS

Independent Auditor's Report

To the Board of Directors
United Way of Jackson County
Medford, Oregon

We have audited the accompanying financial statements of the United Way of Jackson County (the Organization), which comprise the statement of financial position as of June 30, 2016 and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way of Jackson County as of June 30, 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 Organization's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 16, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 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 accompanying supplementary information, consisting of current and gross campaign results and donor designations on page 4, is not a required part of the financial statements and is included for the purpose of additional analysis consistent with industry practice. 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, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Clark Nuber P.S.

Certified Public Accountants
October 20, 2016

UNITED WAY OF JACKSON COUNTY

Statement of Financial Position
June 30, 2016
(With Comparative Totals for 2015)

	2016	2015
Assets		
Current Assets:		
Cash and cash equivalents	$ 7,776	$ 17,418
Funds held for others	43,714	13,539
Current portion of pledges and grants receivable, net	220,458	204,584
Prepaid expenses	828	808
Total Current Assets	**272,776**	**236,349**
Property and equipment, net	2,755	5,484
Noncurrent portion of pledges and grants receivable, net	3,021	11,048
Beneficial interest in assets held by others	664,722	699,622
Total Assets	**$ 943,274**	**$ 952,503**
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 23,723	$ 12,129
Funds held for others	43,714	13,533
Undesignated allocations payable	25,394	27,404
Designations payable	52,920	68,760
Note payable - line of credit	20,000	25,000
Total Liabilities	**165,751**	**146,826**
Net Assets:		
Unrestricted	341,485	440,654
Temporarily restricted	99,454	31,000
Permanently restricted	336,584	334,023
Total Net Assets	**777,523**	**805,677**
Total Liabilities and Net Assets	**$ 943,274**	**$ 952,503**

See accompanying notes.

UNITED WAY OF JACKSON COUNTY

Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2016
(With Comparative Totals for 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
Revenues, Gains and Other Support:					
Current year campaign results	$ 1,205,624	$ -	$ -	$ 1,205,624	$ 1,207,311
Current year campaign results restricted by purpose		70,990		70,990	15,311
Current year campaign results restricted for Boles Fire/Weed, CA					144,933
Current year campaign results restricted for time		28,051		28,051	31,000
Gross campaign results	1,205,624	99,041		1,304,665	1,398,555
Less allowance for uncollectable pledges	(40,776)			(40,776)	(86,745)
Less donor designations	(184,157)			(184,157)	(167,223)
Total campaign revenue	980,691	99,041		1,079,732	1,144,587
Other revenue	7,171			7,171	3,986
In-kind contributions	30,050			30,050	36,085
Sponsorships for community projects	21,929			21,929	18,727
Change in value of beneficial interest	(37,461)		2,561	(34,900)	25,212
Net assets released from restrictions	30,587	(30,587)			
Total Revenues, Gains and Other Support	**1,032,967**	**68,454**	**2,561**	**1,103,982**	**1,228,597**
Allocations and Expenses:					
Functional expenses-					
Program services	884,700			884,700	933,790
Management and general	117,975			117,975	139,528
Fundraising	117,466			117,466	128,309
Total functional expenses	1,120,141			1,120,141	1,201,627
Payments to affiliates	11,995			11,995	11,737
Total Allocations and Expenses	**1,132,136**			**1,132,136**	**1,213,364**
Change in Net Assets	**(99,169)**	**68,454**	**2,561**	**(28,154)**	**15,233**
Net assets, beginning of year	440,654	31,000	334,023	805,677	790,444
Net Assets, End of Year	**$ 341,485**	**$ 99,454**	**$ 336,584**	**$ 777,523**	**$ 805,677**

See accompanying notes.

UNITED WAY OF JACKSON COUNTY

Statement of Functional Expenses
For the Year Ended June 30, 2016
(With Comparative Totals for 2015)

	Program Services	Management and General	Fund Raising	Total Expenses 2016	Total Expenses 2015
Expenses:					
Salaries and wages	$ 242,376	$ 71,603	$ 66,260	$ 380,239	$ 339,795
Allocations to agencies	308,000			308,000	304,179
Community projects	181,308	2,066	3,443	186,817	152,757
Employee benefits	42,699	12,676	11,342	66,717	71,321
Payroll taxes	20,659	6,133	5,487	32,279	31,212
Office rent	13,824	4,104	3,672	21,600	21,600
Meals and travel	12,535	3,919	3,892	20,346	21,178
Public information	11,433		4,900	16,333	22,477
Professional services	8,566	2,543	2,275	13,384	17,696
Training and conference	9,467	1,183	1,183	11,833	2,892
Supplies	3,852	3,258	4,348	11,458	8,484
Retirement plan contributions	6,733	1,999	1,789	10,521	11,190
Printing	1,759	2,111	3,167	7,037	10,536
Computer consulting fees	3,797	1,127	1,008	5,932	11,763
Office utilities	2,410	715	640	3,765	3,761
Bank fees	2,408	715	640	3,763	3,057
Telephone	2,241	665	595	3,501	4,080
Insurance	2,222	660	590	3,472	2,945
Dues and fees	1,963	583	522	3,068	3,409
Equipment rental	1,809	537	480	2,826	3,050
Depreciation	1,746	519	464	2,729	3,065
Postage	1,471	437	391	2,299	2,960
Retirement plan administration	983	292	261	1,536	1,660
Interest expense	439	130	117	686	1,465
Long-term recovery for Boles Fire/Weed, CA					144,961
Miscellaneous					134
Total Expenses	**$ 884,700**	**$ 117,975**	**$ 117,466**	**$ 1,120,141**	**$ 1,201,627**

See accompanying notes.

UNITED WAY OF JACKSON COUNTY

Statement of Cash Flows
For the Year Ended June 30, 2016
(With Comparative Totals for 2015)

	2016	2015
Cash Flows From Operating Activities:		
Change in net assets	$ (28,154)	$ 15,233
Adjustments to reconcile change in net assets to		
net cash used in operating activities-		
Change in value of beneficial interest	34,900	(25,212)
Depreciation	2,729	3,065
(Increase) decrease in operating assets-		
Pledges and grants receivable	(7,847)	40,739
Prepaid expenses	(20)	(291)
Increase (decrease) in operating liabilities-		
Accounts payable and accrued liabilities	11,600	(34,722)
Undesignated allocations payable	(2,010)	(8,820)
Designations payable	(15,840)	(11,239)
Net Cash Used in Operating Activities	**(4,642)**	**(21,247)**
Cash Flows From Financing Activities:		
Net line of credit activity	(5,000)	(10,000)
Net Cash Used in Financing Activities	**(5,000)**	**(10,000)**
Net Change in Cash and Cash Equivalents	**(9,642)**	**(31,247)**
Cash and cash equivalents balance, beginning of year	17,418	48,665
Cash and Cash Equivalents Balance, End of Year	**$ 7,776**	**$ 17,418**
Supplementary Disclosure of Cash Flow Information:		
Cash paid for interest	$ 686	$ 1,465

See accompanying notes.

Note 1 - Summary of Significant Accounting Policies

Nature of Operations - The United Way of Jackson County, Inc. (the Organization) was formed and organized in the State of Oregon to operate as a not-for-profit entity under Internal Revenue Code Section 501(c)(3). The Organization's primary objective is to mobilize caring in order to effect change via promoting volunteerism, community philanthropy, and community building. The Organization engages in fundraising activities and allocates the contributed funds to other not-for-profit organizations and for community building programs. Substantially all of the Organization's revenues are derived from fundraising contributions in the local geographic area.

The Organization administers a fundraising campaign to collect donations for charitable organizations. The Organization has a donor choice program that allows donors to designate to a member agency, to another non-affiliated tax-exempt agency, or to both. The Organization also allows donors to designate to broadly defined areas of service.

Basis of Presentation - Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

> <u>Unrestricted Net Assets</u> - Net assets that are not subject to donor-imposed stipulations.
>
> <u>Temporarily Restricted Net Assets</u> - Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization or the passage of time.
>
> <u>Permanently Restricted Net Assets</u> - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets. Revenues with donor-imposed restrictions that are met in the same reporting period are classified as increases in unrestricted net assets.

Gross Campaign Results - Gross campaign results consist of funds raised as a result of the Organization’s fundraising efforts during the normal course of their campaign. Pledges and payments that are designated by the donor to other nonprofit organizations are included in current year and gross campaign results and donor designations in the statement of activities and changes in net assets. These totals are presented as supplementary information for the purpose of additional analysis consistent with industry practice.

Cash and Cash Equivalents - The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Property and Equipment - The Organization records purchased property and equipment at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restriction regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Note 1 - Continued

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.

Property and equipment is depreciated using the straight-line method over estimated useful lives of three to ten years. Acquisitions of property and equipment in excess of $2,000 and with a useful life of three years or more are capitalized.

Contributions - Contributions, which include unconditional promises to give (pledges), are recognized as revenue in the period received. When restrictions are fulfilled in the same fiscal year in which the contribution is received, the contribution is reported as unrestricted. During the year ended June 30, 2015, the Organization received and distributed, as part of their fundraising efforts, contributions specifically restricted for the long-term recovery of the Boles Fire in Weed, California. This same activity did not occur during fiscal year 2016.

Pledges and Grants Receivable - Unconditional pledges and grants receivable, less an allowance for uncollectible amounts, are recognized as revenues in the period the promise is made and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

The allowance for uncollectible pledges is an estimate based on management's knowledge of historical pledge collection rates. The allowance for the current year campaign in calculated as a percentage of pledged revenue generated by the campaign. In addition, an allowance for prior year campaign pledges not collected is made based on management's knowledge of the unpaid amounts.

Cost Deductions - The Organization has committed to and was in compliance with the Cost Deduction Requirements for Membership Requirement M, as established by United Way Worldwide. The standard establishes uniform rules for deducting resource development and organizational administration expenses from donor pledges.

In-Kind Contributions - Donated assets and services are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. Contributions of services are recognized if the services received create or enhance a nonfinancial asset or the services require specialized skills that are provided by individuals possessing those skills. In-kind contributions reported in the statement of activities and changes in net assets for both the years ended June 30, 2016 and 2015 include contributed rent of $21,600. In addition, in-kind contribution revenue for the years ended June 30, 2016 and 2015 also included contributed advertising and other goods and services of $8,450 and $14,485, respectively.

A substantial number of volunteers have donated significant amounts of time in the Organization’s program services and in its fundraising campaign. The financial statements do not reflect the value of those contributed services because the criteria for recognition of such volunteer effort have not been satisfied.

Designations Payable and Undesignated Allocations Payable - The Organization conducts an annual fundraising campaign from August through November. When a donor makes a contribution to the Organization and designates a named charity, those contributions are recorded by the Organization as designations payable. The designated donation is then reduced by a pledge loss allowance of 6 percent and prior year management and fundraising fees on a percentage basis. The designations payable are generally disbursed quarterly in July, October, January and April to recipient charities. The Organization honors designations to charities by distributing a proportionate share of receipts based on donor designations.

Note 1 - Continued

Contributions to the United Way community fund or an area of service are allocated among approved programs. The budget for the total allocable amount is determined using the current campaign collections and pledges less designations, a pledge loss allowance, specific agency related expenses, and operating expenses. Volunteers then make recommendations to the Organization's Board of Directors for amounts to be allocated to programs. Allocation award and agreement letters are sent to the programs, generally in June or July. Allocations to programs are recorded as an undesignated allocation payable as of July 1 following the campaign year. Undesignated allocations payable to programs are generally disbursed monthly beginning in July.

Funds Held for Others - Accounting principles generally accepted in the United States of America (U.S. GAAP) specifically requires that when Organization receives assets and agrees to use those assets on behalf of a specified beneficiary, the Organization must account for the receipt of such assets as if it is holding the funds as an agent. At June 30, 2016 and 2015, the Organization held funds totaling $43,714 and $13,539, respectively, under this type of arrangement.

Federal Income Tax - The Internal Revenue Service has determined that the Organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and is not considered to be a private foundation; accordingly, no provision has been made for federal income tax in the accompanying financial statements.

Concentrations - The Organization raised gross campaign contributions from one anonymous donor representing 23 percent and 16 percent of gross campaign results for the years ended June 30, 2016 and 2015, respectively.

Functional Expense Allocation - Directly identifiable expenses are charged to program and support services. Expenses related to more than one function are charged to programs and support services based on the activity in each respective function. Management and general expenses include those expenses which are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These affect the reported amounts of assets, liabilities, revenues, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Comparative Amounts for 2015 - For comparative purposes, the financial statements include certain prior-year summarized information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organizations financial statements for the year ended June 30, 2015, from which the summarized information was derived.

Subsequent Events - Management has evaluated subsequent events through October 20, 2016, the date on which the financial statements were available to be issued. No subsequent events were identified for disclosure.

Note 2 - Property and Equipment

The following is a summary of property and equipment, less accumulated depreciation at June 30:

	2016	2015
Office furniture and equipment	$ 28,137	$ 29,643
Accumulated depreciation	(25,382)	(24,159)
Total Property and Equipment, Net	**$ 2,755**	**$ 5,484**

Note 3 - Pledges Receivable

Pledges receivable include the following unconditional promises to give as of June 30:

	2016	2015
Unconditional pledges receivable due in less than one year	$ 262,425	$ 249,388
Less allowance for uncollectible pledges	(41,967)	(44,804)
Net Pledges Receivable Due in Less Than One Year	**$ 220,458**	**$ 204,584**
Pledges due in one to five years	$ 3,300	$ 12,110
Less allowance for uncollectible pledges	(264)	(969)
Less present value discount on long-term pledges	(15)	(93)
Net Pledges Receivable Due in One to Five Years	**$ 3,021**	**$ 11,048**

Note 4 - Beneficial Interest in Assets Held by Others

The Organization’s beneficial interests in trusts and assets held by others included the following at June 30:

	2016	2015
Beneficial interest in assets held by The Oregon Community Foundation	$ 441,254	$ 478,715
Latham Trust	223,468	220,907
Total Beneficial Interest in Assets Held by Others	**$ 664,722**	**$ 699,622**

Note 4 - Continued

The Oregon Community Foundation

The Oregon Community Foundation (OCF) administers the endowment fund for the benefit of the Organization, under OCF's Endowment Partners Program. The United Way of Jackson County Endowment Fund is a component fund of the Oregon Community Foundation. Under terms of the agreement dated May 27, 1992 between OCF and the Organization, OCF has the authority to modify restrictions and conditions of the fund agreement under certain circumstances, without the approval of the Organization. This authority is referred to as variance power. The Organization has recorded a beneficial interest in funds held by OCF. The Organization transferred endowment and other funds to OCF with no donor obligation to do so and named itself as beneficiary.

According to the agreement, OCF distributes an appropriate percentage, as determined by OCF, of the fair value of the fund, at least annually, under its grant percentage payout policy for permanent funds. The Organization transfers contributions to the endowment fund held by OCF as general endowment contributions are received. For the years ended June 30, 2016 and 2015, there were no new endowment contributions.

Latham Trust

The Organization is the beneficiary of a perpetual charitable trust (the Trust) established by Gerald T. Latham in 1986. The Organization had an interest of 20 percent as of both June 30, 2016 and 2015. The assets of the Trust are managed by Wells Fargo Bank. The Organization typically receives monthly distributions from Wells Fargo Bank from the earnings of the Trust. In accordance with U.S. GAAP, the Organization has recognized its interest in the Trust as an asset on the Organization's statement of financial position. Net realized and unrealized gains and losses related to the Trust are reported as changes in permanently restricted net assets.

Note 5 - Fair Value Measurement

The Organization applies the U.S. GAAP authoritative guidance for Fair Value Measurements and Disclosures, which defines fair value, establishes a framework for measuring fair value and requires certain disclosures about fair value measurements.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Note 5 - Continued

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016 and 2015.

Beneficial Interest in the Latham Trust - The Organization is a beneficiary of a percentage interest in a perpetual charitable trust held by a third party. The Organization's interest in the trust is recorded at the fair value of the Organization's ownership in the trust. This asset is valued using the net asset value (Note 4).

Beneficial Interest in Assets Held by The Oregon Community Foundation (OCF) - The beneficial interest in assets held at The Oregon Community Foundation has been valued, as a practical expedient, at the fair value of the Organization's share of assets held by The Oregon Community Foundation. This asset is valued using the net asset value (Note 4).

The underlying investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and investment contracts, and the level of uncertainty related to changes in the value of the investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the statement of financial position and the statement of activities and changes in net assets.

The following tables present the assets that are measured at fair value on a recurring basis as of June 30 and are categorized using the three levels of the fair value hierarchy:

	Fair Value Measurements as of June 30, 2016			
	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by The Oregon Community Foundation	$ -	$ -	$ 441,254	$ 441,254
Beneficial interest in the Latham Trust			223,468	223,468
	$ -	**$ -**	**$ 664,722**	**$ 664,722**

	Fair Value Measurements as of June 30, 2015			
	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by The Oregon Community Foundation	$ -	$ -	$ 478,715	$ 478,715
Beneficial interest in the Latham Trust			220,907	220,907
	$ -	**$ -**	**$ 699,622**	**$ 699,622**

Note 5 - Continued

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statement of financial position using significant unobservable (Level 3) inputs for the year ended June 30:

	Beneficial Interest in Latham Trust	Beneficial Interest in Assets Held by OCF
Balance, June 30, 2015	$ 220,907	$ 478,715
Total realized and unrealized (losses) gains	2,561	(16,509)
Distributions and fees		(20,952)
Balance, June 30, 2016	**$ 223,468**	**$ 441,254**

	Beneficial Interest in Latham Trust	Beneficial Interest in Assets Held by OCF
Balance, June 30, 2014	$ 174,110	$ 500,300
Contributed beneficial interest	56,158	
Total realized and unrealized (losses) gains	(9,361)	1,311
Distributions and fees		(22,896)
Balance, June 30, 2015	**$ 220,907**	**$ 478,715**

Note 6 - Designations Payable and Undesignated Allocations Payable

Designations payable and undesignated allocations payable consist of donor designated contributions and United Way allocations to agencies as of June 30 as follows:

	2016	2015
Donor designations from prior year campaign	$ 10,997	$ 22,624
Donor designations from current year campaign	41,923	46,136
Total designations payable	52,920	68,760
Undesignated allocations payable to member agencies from prior year campaign	25,394	27,404
Total Designations Payable and Undesignated Allocations Payable	**$ 78,314**	**$ 96,164**

Note 7 - Note Payable

The Organization maintains an unsecured line of credit in the approved amount of $100,000 with Banner Bank. Under the terms of the loan agreement, the outstanding balance of the line is payable upon demand of the lender. The Organization is required to make monthly payments of interest, and must pay the line to zero for a period of 30 consecutive days at least once during the year. There is no interest due on the outstanding balance for the year ended June 30, 2016. Interest is computed at the prime rate plus 1.5 percent, but not less than 4.75 percent. At June 30, 2016 and 2015, the interest rate was 5.00 percent and 4.75 percent, respectively. The line of credit has a maturity date of March 15, 2019, and is renewable annually. The outstanding balance on the line of credit at June 30, 2016 and 2015 was $20,000 and $25,000, respectively.

Note 8 - Operating Lease

The Organization had a lease agreement with Banner Bank for office space beginning June 2014 and ending June 2015. No renewal took place during fiscal year 2016, though the Organization continued to occupy the space. The Organization is not required to pay rental costs under the lease agreement and recognized in-kind contributions and related rent expense of $21,600 during both the years ended June 30, 2016 and 2015.

Note 9 - Related Party Transactions

The Organization entered into a professional services agreement with a member of the Board of Directors. During the years ended June 30, 2016 and 2015, expenditures for development of promotional materials and management consultations totaled $5,000 and $14,000, respectively.

Note 10 - Retirement Plan

The Organization maintains a defined contribution retirement plan (the Plan) covering all employees who are at least 21 years of age. There is no minimum service requirement for employees to receive employer contributions under the Plan. Individual participant accounts vest according to the number of years of service credited to each participant. Contributions to the Plan are made at 3 percent of participant's salary. During the years ended June 30, 2016 and 2015, contributions to the Plan totaled $10,521 and $11,190, respectively.

Note 11 - Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30 were available for the following purposes:

	2016	2015
Pledges received from the current campaign for use in a future period, net of dollar designations and allowance for uncollectible pledges	$ 37,761	$ 31,000
Jackson County Bike Share program	50,143	
HOPE Chest (rapid response fund for emergency needs)	4,967	
211 Info Program	6,583	
Total Temporarily Restricted Net Assets	**$ 99,454**	**$ 31,000**

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 years ended June 30:

	2016	2015
Prior year campaign revenue for the use in the current year, net of donor designations and an allowance for uncollectible pledges	$ 21,290	$ 15,311
Jackson County Bike Share program	13,743	
HOPE Chest (rapid response fund for emergency needs)	46,731	
Jane Norris Community Childrens Fund	5,640	
211 Info Program	5,417	
Women Living Leadership project		43,311
Nutrition Education		5,571
Humanity Walking		5,871
LIFE Art		4,054
Jackson County Child Abuse Network		4,610
Net asset transfer	(62,234)	
Total Net Assets Released From Restrictions	**$ 30,587**	**$ 78,728**

Note 11 - Continued

During the year ended June 30, 2016 management identified $62,234 of donor restricted contributions previously reported as unrestricted. These amounts are reported as net asset transfers in the table above.

Note 12 - Permanently Restricted Net Assets

Permanently restricted net assets are restricted by donors to investments in perpetuity. The income from the assets can be used to support the Organization's general operations; therefore all the income and expenses of the endowment fund are classified as unrestricted. Permanently restricted net assets as of June 30, 2016 and 2015 consist of the following:

	2016	2015
Gerald Latham Perpetual Charitable Trust (Note 4)	$ 223,468	$ 220,907
Geraldine Taylor Estate	93,136	93,136
Albert Relei and Wilson Anderson Memorial	1,000	1,000
Campaign contributions specified for endowment	18,980	18,980
Total Permanently Restricted Net Assets	**$ 336,584**	**$ 334,023**