

UNITED WAY OF GLOUCESTER COUNTY, INC.

(a nonprofit organization)

AUDIT REPORT

FOR THE FISCAL YEARS ENDED

JUNE 30, 2016 AND 2015

UNITED WAY OF GLOUCESTER COUNTY, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of Gloucester County, Inc.
Thorofare, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Gloucester County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Gloucester County, Inc. as of June 30, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Ford, Scott & Associates, L.L.C.

**FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS**

September 20, 2016

FINANCIAL STATEMENTS

UNITED WAY OF GLOUCESTER COUNTY, INC.
(a nonprofit organization)
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 820,562	1,102,876
Investments	977,499	351,181
Pledges receivable (net)	618,816	621,980
Due from affiliate	2,185	
Total current assets	2,419,062	2,076,037
Property and equipment - net of accumulated depreciation of \$257,369 and \$242,873	378,022	393,757
Other Assets		
Security deposits	435	435
TOTAL ASSETS	2,797,519	2,470,229
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accrued expenses	27,132	
Accrued compensated absences	11,406	
Allocations payable	665,000	742,343
Donor choice payable	210,908	270,511
TOTAL LIABILITIES	914,446	1,012,854
 NET ASSETS		
Unrestricted -		
board designated	59,153	59,153
undesignated	1,398,095	1,267,881
Temporarily restricted	425,825	130,341
TOTAL NET ASSETS	1,883,073	1,457,375
TOTAL LIABILITIES AND NET ASSETS	\$ 2,797,519	2,470,229

The accompanying notes are an integral part of these financial statements

UNITED WAY OF GLOUCESTER COUNTY, INC.
(a nonprofit organization)
STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEARS ENDED JUNE 30,

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public Support and Revenue:						
Public Support						
Gross Campaign Results	\$ 1,684,938	-	1,684,938	1,684,105	35,000	1,719,105
Contributions received in prior periods (released from restrictions)	35,000	(35,000)	-	978	(978)	-
Less donor designations	(346,425)		(346,425)	(410,679)		(410,679)
Less allowance for uncollectible pledges	(109,966)		(109,966)	(121,106)		(121,106)
Contributions			-			-
Net Campaign Revenue	1,263,547	(35,000)	1,228,547	1,153,298	34,022	1,187,320
Revenue						
Program service fees	16,391		16,391	23,850		23,850
Grants		646,600	646,600		194,084	194,084
Investment income	8,191		8,191	3,767		3,767
Special Events	30,352		30,352	37,352		37,352
Miscellaneous	5,261		5,261	7,895		7,895
Assets released from restriction						-
Satisfaction of program restrictions	316,116	(316,116)	-	109,019	(109,019)	-
Total Revenue	376,311	330,484	706,795	181,883	85,065	266,948
Total Public Support and Revenue	\$ 1,639,858	295,484	1,935,342	1,335,181	119,087	1,454,268

The accompanying notes are an integral part of these financial statements

UNITED WAY OF GLOUCESTER COUNTY, INC.
(a nonprofit organization)
STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEARS ENDED JUNE 30,

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Expenses						
Program Services						
Gross funds Awarded/Distributed	\$ 1,017,025		1,017,025	1,123,679		1,123,679
(Less Donor Designations)	(346,425)		(346,425)	(410,679)		(410,679)
Net Funds Awarded/Distributed	670,600	-	670,600	713,000	-	713,000
Agency and community relations	40,503		40,503	55,279		55,279
Donor relations	124,414		124,414	85,215		85,215
Community initiatives/problem solving	392,710		392,710	145,679		145,679
Women's Leadership Council	2,910		2,910	6,185		6,185
Total Program Services	1,231,137	-	1,231,137	1,005,358	-	1,005,358
Supporting Services						
Management and General	129,589		129,589	90,225		90,225
Fund Raising	131,587		131,587	177,441		177,441
United Way Worldwide Dues	17,331		17,331	13,433		13,433
Total Supporting Services	278,507	-	278,507	281,099	-	281,099
Total Expenses	1,509,644	-	1,509,644	1,286,457	-	1,286,457
Increase in net assets	130,214	295,484	425,698	48,724	119,087	167,811
Net assets at beginning of year	1,327,034	130,341	1,457,375	1,278,310	11,254	1,289,564
Net assets at end of year	<u>\$ 1,457,248</u>	<u>425,825</u>	<u>1,883,073</u>	<u>1,327,034</u>	<u>130,341</u>	<u>1,457,375</u>

The accompanying notes are an integral part of these financial statements

UNITED WAY OF GLOUCESTER COUNTY, INC.
(a nonprofit organization)
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(with comparative totals for the fiscal year ended June 30, 2015)

	PROGRAM SERVICES				SUPPORTING SERVICES				2016	2015 (A)	
	Agency & Community Relations	Donor Relations	Community Initiatives/ Problem Solving	Women's Leadership Council	Total	Management and General	Fundraising	UWW Dues			Total
EXPENSES											
Allocations/Awards	\$ 1,017,025				1,017,025					1,017,025	1,123,679
(Less Donor Designations)	(346,425)				(346,425)					(346,425)	(410,679)
Sub-total	670,600	-	-	-	670,600	-	-	-	-	670,600	713,000
Salaries and wages	16,370	78,576	68,754		163,700	81,850	81,850		163,700	327,400	319,162
Employee benefits	2,321	11,140	9,748		23,209	11,604	11,605		23,209	46,418	57,170
Payroll taxes	1,415	6,791	5,942		14,148	7,074	7,074		14,148	28,296	26,603
(Less Administrative Allocations)	(8,798)		(17,766)		(26,564)					(26,564)	(60,842)
Sub-total	11,308	96,507	66,678		174,493	100,528	100,529	-	201,057	375,550	342,093
Professional fees	505	2,424	2,121		5,050	2,525	2,525		5,050	10,100	8,400
Supplies	477	2,291	2,004		4,772	2,386	2,386		4,772	9,544	6,270
Computer expenses	149	716	627		1,492	747	746		1,493	2,985	9,552
Telephone	345	1,657	1,450		3,452	1,726	1,726		3,452	6,904	6,578
Postage and shipping	135	650	569		1,354	677	677		1,354	2,708	3,524
Rental and maintenance of equipment	316	1,518	1,329		3,163	1,582	1,582		3,164	6,327	4,091
Travel and transportation	221	1,061	928		2,210	1,104	1,105		2,209	4,419	2,890
Conferences, conventions, and meetings	-	-	-		-	-	-		-	-	154
Board and Operating Meetings	57	275	240		572	286	286		572	1,144	888
Dues and subscriptions	29	141	123		293	146	147		293	586	809
Insurance	443	2,126	1,860		4,429	2,214	2,214		4,428	8,857	7,470
Utilities	421	2,021	1,768		4,210	2,104	2,105		4,209	8,419	9,083
Awards	344	1,653	1,446		3,443	1,721	1,722		3,443	6,886	8,380
Payroll Service	91	438	383		912	455	456		911	1,823	2,606
Janitorial service	167	800	700		1,667	832	833		1,665	3,332	3,332
Bldg. Maint. & Supplies	571	2,741	2,398		5,710	2,854	2,855		5,709	11,419	5,477
Campaign printing and supplies	535	2,569	2,248		5,352	2,675	2,676		5,351	10,703	8,169
Communications printing	10	49	43		102	50	51		101	203	-
Staff Training	15	72	63		150	76	76		152	302	501
Charitable Registration	19	91	79		189	94	95		189	378	300
Miscellaneous Expense	160	767	671		1,598	800	799		1,599	3,197	3,328
Special Grants	19,500		301,616		321,116				-	321,116	98,743
Women's Leadership Council				2,910	2,910				-	2,910	6,185
5K Run Expenses					-		1,988		1,988	1,988	1,999
Campaign Kickoff Expenses	3,883				3,883				-	3,883	3,127
Community Outreach	15	71	62		148	73	74		147	295	340
Depreciation	787	3,776	3,304		7,867	3,934	3,934		7,868	15,735	15,735
Sub-total	29,195	27,907	326,032	2,910	386,044	29,061	31,058	-	60,119	446,163	217,931
United Way Worldwide Dues					-			17,331	17,331	17,331	13,433
Total expenses	\$ 711,103	124,414	392,710	2,910	1,231,137	129,589	131,587	17,331	278,507	1,509,644	1,286,457

(A) - Detail of fiscal year 2015 expenses included on next page

The accompanying notes are an integral part of these financial statements

UNITED WAY OF GLOUCESTER COUNTY, INC.
(a nonprofit organization)
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	PROGRAM SERVICES				SUPPORTING SERVICES				2015	
	Agency & Community Relations	Donor Relations	Community Initiatives/ Problem Solving	Women's Leadership Council	Total	Management and General	Fundraising	UWW Dues		Total
EXPENSES										
Allocations/Awards (Less Donor Designations)	\$ 1,123,679 (410,679)				1,123,679 (410,679)				- -	1,123,679 (410,679)
Sub-total	713,000	\$ -	-	-	713,000	-	-	-	-	713,000
Salaries and wages	19,150	54,258	76,599		150,007	57,448	111,707		169,155	319,162
Employee benefits	3,430	9,719	13,721		26,870	10,290	20,010		30,300	57,170
Payroll taxes	1,596	4,523	6,385		12,504	4,788	9,311		14,099	26,603
(Less Administrative Allocations)	(6,003)		(54,839)		(60,842)					(60,842)
Sub-total	18,173	68,500	41,866	-	128,539	72,526	141,028	-	213,554	342,093
Professional fees	504	1,428	2,016		3,948	1,512	2,940		4,452	8,400
Supplies	376	1,066	1,505		2,947	1,128	2,195		3,323	6,270
Office supplies	9,552				9,552				-	9,552
Telephone	395	1,118	1,579		3,092	1,184	2,302		3,486	6,578
Postage and shipping	211	599	846		1,656	635	1,233		1,868	3,524
Rental and maintenance of equipment	245	695	982		1,922	737	1,432		2,169	4,091
Travel and transportation	173	491	694		1,358	520	1,012		1,532	2,890
Conferences, conventions, and meetings	9	26	37		72	28	54		82	154
Board and operating meetings	53	151	213		417	160	311		471	888
Dues and subscriptions	49	138	194		381	145	283		428	809
Insurance	448	1,270	1,793		3,511	1,344	2,615		3,959	7,470
Utilities	545	1,544	2,180		4,269	1,635	3,179		4,814	9,083
Awards	503	1,425	2,011		3,939	1,508	2,933		4,441	8,380
Payroll Service	156	443	625		1,224	470	912		1,382	2,606
Janitorial Service	200	566	800		1,566	600	1,166		1,766	3,332
Bldg. Maint. & Supplies	329	931	1,314		2,574	986	1,917		2,903	5,477
Campaign Printing	490	1,389	1,961		3,840	1,470	2,859		4,329	8,169
Communications Printing					-				-	-
Staff Training	30	85	120		235	91	175		266	501
Charitable Registration	18	51	72		141	54	105		159	300
Miscellaneous Expense	200	566	799		1,565	598	1,165		1,763	3,328
Special Grants	18,529		80,214		98,743				-	98,743
Women's Leadership Council				6,185	6,185				-	6,185
5K Run Expenses					-		1,999		1,999	1,999
Campaign Kickoff Expenses	3,127				3,127				-	3,127
Community Outreach	20	58	82		160	61	119		180	340
Depreciation	944	2,675	3,776		7,395	2,833	5,507		8,340	15,735
Sub-total	37,106	16,715	103,813	6,185	163,819	17,699	36,413	-	54,112	217,931
United Way Worldwide Dues					-			13,433	13,433	13,433
Total expenses	\$ 768,279	85,215	145,679	6,185	1,005,358	90,225	177,441	13,433	281,099	1,286,457

The accompanying notes are an integral part of these financial statements

UNITED WAY OF GLOUCESTER COUNTY, INC.
(a nonprofit organization)
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30,

	2016	2015
Cash flows from operating activities:		
Increase in net assets	\$ 425,698	167,811
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,735	15,735
Investment income	(8,191)	(3,767)
Changes in operating assets and liabilities		
Decrease in pledges receivable	3,164	156,206
Increase in amount due from affiliate	(2,185)	
Increase in accrued expenses	27,132	
Increase in accrued compensated absences	11,406	
Decrease in allocations and campaign payables	(136,946)	(151,305)
Net cash provided by operating activities	335,813	184,680
Cash flows from investing activities:		
Purchase of fixed assets	-	(21,118)
Proceeds from sale of investments	462,791	625,000
Purchase of investments	(1,080,918)	(651,893)
Net cash used in investing activities	(618,127)	(48,011)
Net increase/(decrease) in cash and cash equivalents	(282,314)	136,669
Cash and cash equivalents at beginning of year	1,102,876	966,207
Cash and cash equivalents at end of year	\$ 820,562	1,102,876
 <u>Supplemental Disclosures</u>		
Donated services	3,332	3,332
Interest and taxes paid	-	-
	\$ 3,332	3,332

The accompanying notes are an integral part of these financial statements

UNITED WAY OF GLOUCESTER COUNTY, INC.
(a nonprofit organization)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of United Way of Gloucester County, Inc. (the Agency), have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Organization

The Agency is a fund-raising organization whose mission is "to be Gloucester County's leader in building community capacity to foster individual well being".

Basis of Presentation

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Agency reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

It is the policy of the Agency to report donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support.

Property and Equipment

Property and equipment are carried at cost less depreciation to date.

Property and equipment in the amount of \$2,500 and over are capitalized, and minor amounts under \$2,500 are expensed as incurred.

Expenditures for maintenance, repairs and minor renewals are charged to expense as incurred; additions and major renewals considered to be betterments are capitalized.

Depreciation has been provided on the straight-line basis over the estimated useful lives of the respective assets (ten or thirty-nine years for buildings and improvements; five-seven years for furniture and equipment). Depreciation expense for the fiscal years ended June 30, 2016 and 2015 was \$15,735 in each year.

Fund Drives

The Agency conducts an annual campaign for the support of partner agencies and other community services. Funds raised are allocated annually with periodic supplements to partner agencies, United Way operations and other program services. Pledges are considered available for unrestricted use unless specifically restricted by the donor. Agencies, such as the United Way have the option of including agency funds in gross revenue then deducting those funds as a reduction in revenue rather than as an expense. The selection of this option is necessary when donors designate specific agencies, or other United Way locations, as the beneficiary of those funds. The Agency has elected to report donor choice designations as a reduction in gross campaign revenue.

Contributions are recorded at their fair value on the date of such contribution. Pledges, less an allowance for uncollectible amounts are recorded as receivables in the year made. Pledges are deemed uncollectible and are written off if not received within two years. A weighted average of the past three campaign collections is used as a basis for determining the current year uncollectible allowance. The uncollectible allowance used by the Agency during the fiscal years ended June 30, 2016 and 2015 was 7.5% in each year.

UNITED WAY OF GLOUCESTER COUNTY, INC.
(a nonprofit organization)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of revenue and expenses. Accordingly, certain costs have been allocated among the programs and services benefited. The allocation is based on the number of hours each employee spent on each function during the year and represents the following percentages:

<u>Program</u>	<u>FY 2016</u>	<u>FY 2015</u>
Agency Relations & Community Initiative	5%	5%
Donor Relations	24%	24%
Community Problem Solving	21%	21%
Management & General	25%	25%
Fundraising	25%	25%
Total	<u>100%</u>	<u>100%</u>

Cash Flow Information

The Agency considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Investments

All of the Agency's investments consist of FDIC insured certificates of deposit. Investments are valued at cost plus accrued interest, which approximates fair value due to the short-term nature of these investments.

Use of Estimates

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

Federal and State Income Taxes

The Agency is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Agency is also exempt from State income taxes and is registered with the State of New Jersey under the New Jersey Charitable Registration and Investigation Act (CRI) of 1994. No provision has been made for federal or state income taxes.

The Agency regularly reviews and evaluates its tax positions taken in previously filed information returns and as reflected in its financial statements, with regard to issues affecting its tax exempt status, unrelated business income, and related matters. The Agency believes that in the event of an examination by taxing authorities, the Agency's positions would prevail based upon the technical merits of such positions. Therefore, the Agency has concluded that no tax benefits or liabilities are required to be recognized. The Agency is generally no longer subject to examination by the Internal Revenue Service for years before July 1, 2013. Also, the Agency is generally no longer subject to examination by the State of New Jersey for years before July 1, 2012.

UNITED WAY OF GLOUCESTER COUNTY, INC.
(a nonprofit organization)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 2: PLEDGES RECEIVABLE

Pledges receivable are recognized when made; assuming the donor's ability and intent to honor the pledge is known or estimable. An allowance for uncollectible pledges is recorded at the time the pledge is made. This allowance is revised periodically when conditions indicate changes in facts and circumstances. The allowance, representing 7.5% of pledged amounts in each year totaled \$109,966 and \$121,106 for the years ended June 30, 2016 and 2015 respectively. All pledges receivable are expected to be collected within one year.

The Agency does not recognize revenue that has already been recognized by another entity. It is the Agency's policy not to accrue interest on pledges receivable.

Note 3: INVESTMENTS

Investments are presented in the financial statements at cost plus accrued interest in accordance with generally accepted accounting principles.

At June 30, 2016 and 2015, all investments held are summarized as follows:

	2016	2015
	Cost	Cost
Certificates of Deposit	\$975,000	\$350,000
Accrued Interest	2,499	1,181
Total Investments	\$977,499	\$351,181

Investment return is summarized as follows:

	June 30,	
	2016	2015
Interest Income	\$ 8,643	\$ 3,767
Net realized losses	(452)	
Total unrestricted investment income	\$ 8,191	\$ 3,767

UNITED WAY OF GLOUCESTER COUNTY, INC.
(a nonprofit organization)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 4: PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	June 30,	
	2016	2015
Land	\$ 110,400	\$ 110,400
Buildings and Improvements	446,573	446,573
Office Furniture and Equipment	78,418	79,658
	635,391	636,631
Less Accumulated Depreciation	257,369	242,873
Total Property and Equipment	378,022	393,758

Note 5: PAYROLL TAXES

As of June 30, 2016 and 2015, the Agency was current with all payroll related taxes.

Note 6: DONATED MATERIALS AND SERVICES

Donated services are recognized as contributions if the services (a) create or enhance non financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Agency. Volunteers also provided fund raising services throughout the year that are not recognized as contributions in the financial statements since the above is not met.

During the fiscal years ended June 30, 2016 and 2015, a local janitorial service donated their services to clean and maintain the interior of the Agency's office building located in Thorofare, NJ at a value of \$3,332 in each year. Since these services would have otherwise been purchased by the Agency, the amount has been recognized in the financial statements.

Note 7: ALLOCATIONS PAYABLE

Allocations payable represent amounts allocated to United Way partner agencies as determined by the Board of Directors on an annual basis. It is the policy of the Agency to report donor choice designations as a reduction to gross campaign revenue.

Note 8: PENSION PLAN

The Agency adopted a defined contribution (401K) retirement plan effective July 1, 1997. The plan covers all employees who are at least 21 years of age with one or more years of service with the Agency. Employees with prior not for profit experience within the past three years are eligible immediately upon hiring. Eligible employees who contribute up to 3% of their salary to the plan will have 100% of this contribution matched by the Agency. The Agency also has a discretionary 5% contribution for all employees. The Agency's contribution for the fiscal years ended June 30, 2016 and 2015 was \$7,886 and \$8,452, respectively, on covered salaries of \$262,867 and \$281,733, respectively. The Company did not make a discretionary contribution in either of the years ended June 30, 2016 and 2015.

UNITED WAY OF GLOUCESTER COUNTY, INC.
(a nonprofit organization)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 9: ACCRUED SICK AND VACATION

Employees of the Agency are permitted to accrue sick and vacation time during the fiscal year. A maximum of 40 sick days may be carried over to future fiscal years indefinitely but will not be paid out upon departure. Since employees have no vesting, no liability has been established as of June 30, 2016 and June 30, 2015. Vacation time is earned based on length of service with the Agency and employees are permitted to carry over five days to the subsequent year. Employees will be paid for the amount of vacation time that has been earned, but not taken upon termination of employment. A liability has been established for accrued compensated absences in the amount of \$11,406 as of June 30, 2016

Note 10: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of contributions received in the current year that relate to future campaigns. The campaign runs from September to January. The balance also consists of grants awarded to the Agency for specific purposes. As of June 30, 2016 and 2015, the balance of temporarily restricted net assets includes the following.

	June 30,	
	2016	2015
Pascale Sykes 2014-2015	\$ 95,341	\$ 95,341
Pascale Sykes 2015-2016	119,784	
Pascale Sykes 2016-2017	210,700	
Subsequent year campaign pledges		35,000
Total	\$ 425,825	\$ 130,341

Note 11: CONCENTRATION OF CREDIT RISK

As of June 30, 2016 and 2015, the Agency held cash and cash equivalents at financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) to a maximum of \$250,000 per institution. The Agency had uninsured deposits in the amount of \$335,946 and \$27,141 for the years ended June 30, 2016 and 2015 respectively. The Agency only deposits funds in recognized fiscally stable financial institutions and has never experienced losses on its cash deposits.

As of June 30, 2016 and 2015, the Agency held cash and cash equivalents in a money market mutual fund within its investment account. Protection is provided by the Securities Investors Protection Corporation (SIPC). The SIPC replaces missing securities in customer accounts to a maximum of \$500,000. The amount held in this mutual fund that is included in cash and cash equivalents was \$27,698 and \$636,022 for the years ended June 30, 2016 and 2015, respectively.

Approximately 43% of the Agency's pledges receivable balance was derived from three contributors as of June 30, 2016. The amount outstanding net of an allowance for uncollectible pledges was approximately \$285,677.

UNITED WAY OF GLOUCESTER COUNTY, INC.
(a nonprofit organization)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 12: BOARD DESIGNATED NET ASSETS

The Board of Directors have designated the following amounts for futures use. Under generally accepted accounting principles, these amounts are included in unrestricted net assets. At June 30, 2016 and 2015 the following amounts were board designated:

	June 30,	
	2016	2015
Agency Emergency Fund	\$ 575	\$ 575
Building and Equipment Reserve	38,725	38,725
Emergency Allocation	19,853	19,853
	\$ 59,153	\$ 59,153

Note 13: LEASES PAYABLE

Operating Leases:

In May 2015, the Agency signed a 60 month lease agreement with KDI to lease a Savin MP C3003 Copier. Payments in the amount of \$697 are due quarterly. The Agency also leased postage equipment from Pitney Bowes under a two year operating lease that expired in May 2016. The lease was renewed for an additional three years on July 6, 2016 based on a monthly payment of \$180 billed quarterly. Total operating lease payments made during the fiscal years ended June 30, 2016 and 2015 were \$4,948 and \$4,088 respectively. Future minimum lease payments are as follows:

Fiscal Year Ending	
June 30,	
2017	\$ 4,948
2018	4,948
2019	4,948
2020	2,788
Total	\$ 17,632

Note 14: SUBSEQUENT EVENTS

The Agency has evaluated subsequent events through September 20, 2016, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

Note 15: RECLASSIFICATIONS

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's financial statements presentation.

UNITED WAY OF GLOUCESTER COUNTY, INC.
(a nonprofit organization)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 16: TRANSACTIONS WITH AFFILIATES

The Agency remits dues to United Way Worldwide for the use of the nationally recognized United Way brand and various support activities to achieve its mission. Dues expense incurred was \$17,331 and \$13,433 for the years ended June 30, 2016 and 2015 respectively.

The Agency was reimbursed for certain expenses incurred during the year ended June 30, 2016 in the amount of \$2,185 and is reflected as an outstanding receivable as of June 30, 2016 in the statements of financial position. The amount due was received on July 14, 2016.

Note 17: CONTRIBUTOR CONCENTRATIONS

Approximately 55% of the Agency's support net of the allowance for uncollectible pledges was derived from three contribution sources during the year ended June 30, 2016.

SUPPLEMENTARY INFORMATION

UNITED WAY OF GLOUCESTER COUNTY, INC.
(a nonprofit organization)
SCHEDULE OF BUDGET TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Salaries and wages	\$ 311,977	321,060	(9,083)
Benefit contingency	7,000	6,340	660
Employee benefits	55,045	46,418	8,627
Payroll service	2,175	1,823	352
Payroll taxes	<u>26,836</u>	<u>28,296</u>	<u>(1,460)</u>
Total salaries and related expenses	403,033	403,937	(904)
Professional fees	10,000	10,100	(100)
Supplies	5,500	12,529	(7,029)
Board and operating committee	1,000	1,144	(144)
Campaign expense	15,000	14,586	414
Telephone	6,300	6,904	(604)
Postage and shipping	4,500	2,708	1,792
Equipment purchases	9,000	-	9,000
Maintenance of buildings and equipment	12,700	17,746	(5,046)
Conferences, conventions and meetings	1,000	-	1,000
Occupancy	12,250	8,419	3,831
Printing	9,000	203	8,797
Travel and transportation	4,000	4,419	(419)
Dues and subscriptions	1,700	586	1,114
Insurance	10,000	8,857	1,143
Other expenses	4,250	3,575	675
Annual dinner and awards	6,500	6,886	(386)
Women's Leadership Council	-	2,910	(2,910)
5K Run Expenses	2,500	1,988	512
Marketing and Promotions	7,500	-	7,500
Special grants less administrative allocation	435,900	294,552	141,348
Staff training	1,000	302	698
Community outreach	7,500	295	7,205
Depreciation	<u>18,511</u>	<u>15,735</u>	<u>2,776</u>
Total expenses before United Way			
Worldwide Dues	988,644	818,381	170,263
United Way Worldwide Dues	16,100	17,331	(1,231)
Total expenses	<u>\$ 1,004,744</u>	<u>835,712</u>	<u>169,032</u>

See accompanying independent auditor's report

UNITED WAY OF GLOUCESTER COUNTY
(a nonprofit organization)
SCHEDULE OF INVESTMENTS
JUNE 30,

Description	Maturity Date	2016	2015
		Cost	Cost
Bank of Baroda CD 5.000%	10/23/2015	-	75,000
Bank of China CD NY CD 0.650%	9/24/2015	-	75,000
Bank of India CD 5.000%	7/22/2015	-	75,000
Beal Bank Ussb TX CD 0.550%	9/16/2015	-	50,000
Santander Bank CD .500%	7/22/2015	-	75,000
Access National Bank CD 1.00%	6/17/2017	75,000	
Ally Bank CD 1.25%	8/7/2017	75,000	
Bank of NC CD 1.00%	11/30/2017	75,000	
Comenity Capital CD 1.20%	9/14/2017	100,000	
Compass Bank CD 0.95%	2/7/2017	75,000	
Discover Bank CD 1.20%	8/7/2017	75,000	
Goldman Sachs Bank CD 0.85%	9/25/2017	65,000	
Goldman Sachs Bank CD 1.15%	9/25/2017	85,000	
Medallion Bank CD 0.60%	7/29/2016	100,000	
Merrick Bank CD 1.05%	7/31/2017	75,000	
Safra National Bank CD 0.65%	7/29/2016	100,000	
Whitney Bank CD 1.20%	8/14/2017	75,000	
Total Investments		975,000	350,000
Accrued Income		2,499	1,181
Total Investments and Accrued Income		\$ 977,499	351,181

See accompanying independent auditor's report