

UNITED WAY OF GLOUCESTER COUNTY, INC.
FINANCIAL STATEMENTS
SUPPLEMENTAL INFORMATION
AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED JUNE 30, 2018 and 2017

UNITED WAY OF GLOUCESTER COUNTY, INC.

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Robert J. Verna
Founder

Paul Verna, CPA
Principal



Timothy J. Battista
Principal

Kerry Andrew Revelas, CPA
Principal

INDEPENDENT AUDITORS' REPORT

To the 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 Not-for-Profit Organization), which comprise the statements of financial condition as of June 30, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the 2 year period then ended, and the related notes to the statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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, 2018 and 2017, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Verna & Associates



Thorofare, New Jersey

September 13, 2018

Robert J. Verna
Founder

Paul Verna, CPA
Principal



Timothy J. Battista
Principal

Kerry Andrew Revelas, CPA
Principal

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

We have audited the financial statements of United Way of Gloucester County, Inc. as of and for the year ended June 30, 2018, and have issued our report thereon dated August 20, 2018, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for the purpose 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 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 taken as a whole.

Verna & Associates

Thorofare, New Jersey
September 13, 2018



UNITED WAY OF GLOUCESTER COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30,

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 874,595	\$ 1,164,126
Investments	1,048,989	816,689
Pledges Receivable, net of allowance	535,685	572,665
Grant Receivable	210,700	
Due from Affiliate	-	1,805
TOTAL CURRENT ASSETS	2,669,969	2,555,285
 PROPERTY, PLANT & EQUIPMENT		
Land	110,400	110,400
Building	440,410	440,410
Improvements	6,163	6,163
Computer Equipment	45,425	45,425
Office Equipment	32,993	32,993
	635,391	635,391
Less: Accumulated Depreciation	288,333	272,817
NET PROPERTY, PLANT & EQUIPMENT	347,058	362,574
 OTHER ASSETS		
Security Deposits Placed	435	435
TOTAL OTHER ASSETS	435	435
TOTAL ASSETS	\$ 3,017,462	\$ 2,918,294
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued Expenses	\$ 52,874	\$ 35,417
Accrued Compensated Absences	11,580	10,700
Allocations Payable	629,900	704,791
Donor Choice Payable	202,180	226,872
TOTAL LIABILITIES	896,534	977,780
 NET ASSETS		
Unrestricted - Board Designated	59,153	59,153
- Unrestricted	1,661,932	1,472,481
Temporarily Restricted	399,843	408,880
TOTAL NET ASSETS	2,120,928	1,940,514
TOTAL LIABILITIES AND NET ASSETS	\$ 3,017,462	\$ 2,918,294

The accompanying notes are an integral part of the financial statements.

UNITED WAY OF GLOUCESTER COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEARS ENDED JUNE 30,

	2018		2017	
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Unrestricted Net Assets	Temporarily Restricted Net Assets
	Total	Total	Total	Total
PUBLIC SUPPORT and REVENUE				
Public Support				
Gross Campaign Results	\$ 1,670,291	\$ -	\$ 1,615,342	\$ -
Contributions received in prior periods (released from restrictions)	438,937	(438,937)	425,825	(425,825)
Less donor restrictions	(275,401)	-	(275,128)	-
Less allowance for uncollectible pledges	(175,481)	-	(156,603)	-
Contributions	3,332	-	3,332	-
	1,661,678	(438,937)	1,612,768	(425,825)
	1,222,741		1,186,943	
Revenue				
Program Service Fees	-	-	12,463	-
Grants	-	429,900	-	426,517
Investment Income	14,060	-	7,821	-
Special Events	38,506	-	30,908	-
Miscellaneous	6,655	-	3,279	-
Assets released from Restriction	-	-	-	-
Satisfaction of Program Restrictions	-	-	17,637	(17,637)
	59,221	429,900	72,108	408,880
	489,121		480,988	
TOTAL PUBLIC SUPPORT and REVENUE	\$ 1,720,899	\$ (9,037)	\$ 1,684,876	\$ (16,945)
	1,711,862		1,667,931	

The accompanying notes are an integral part of the financial statements.

UNITED WAY OF GLOUCESTER COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEARS ENDED JUNE 30,

2018

2017

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
EXPENSES						
Program Services						
Gross Funds Awarded/Distributed (less Donor Designations)	\$ 905,301 (275,401)	\$ - -	\$ 905,301 (275,401)	\$ 970,128 (275,128)	-	\$ 970,128 (275,128)
Net Funds Awarded/Distributed	<u>629,900</u>	<u>-</u>	<u>629,900</u>	<u>695,000</u>	<u>-</u>	<u>695,000</u>
Agency and community relations	41,631	-	41,631	25,633	-	25,633
Donor Relations	103,510	-	103,510	118,018	-	118,018
Community initiatives/problem solving	522,712	-	522,712	497,827	-	497,827
Women's Leadership Council	9,592	-	9,592	1,123	-	1,123
	<u>677,444</u>	<u>-</u>	<u>677,444</u>	<u>642,601</u>	<u>-</u>	<u>642,601</u>
Total Program Services	<u>1,307,344</u>	<u>-</u>	<u>1,307,344</u>	<u>1,337,601</u>	<u>-</u>	<u>1,337,601</u>
Supporting Services						
Management and General	84,213	-	84,213	122,935	-	122,935
Fundraising	124,889	-	124,889	124,520	-	124,520
United Way Worldwide Dues	15,002	-	15,002	25,434	-	25,434
Total Supporting Services	<u>224,104</u>	<u>-</u>	<u>224,104</u>	<u>272,889</u>	<u>-</u>	<u>272,889</u>
Total Expenses	<u>1,531,448</u>	<u>-</u>	<u>1,531,448</u>	<u>1,610,490</u>	<u>-</u>	<u>1,610,490</u>
Increase (Decrease) in net assets	189,451	(9,037)	180,414	74,386	(16,945)	57,441
Net Assets - Beginning of Year	<u>1,531,634</u>	<u>408,880</u>	<u>1,940,514</u>	<u>1,457,248</u>	<u>425,825</u>	<u>1,883,073</u>
TOTAL PUBLIC SUPPORT and REVENUE	<u>\$ 1,721,085</u>	<u>\$ 399,843</u>	<u>\$ 2,120,928</u>	<u>\$ 1,531,634</u>	<u>\$ 408,880</u>	<u>\$ 1,940,514</u>

The accompanying notes are an integral part of these financial statements

UNITED WAY OF GLOUCESTER COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

EXPENSES	PROGRAM SERVICES				SUPPORTING SERVICES				Total 2018	
	Agency & Community Relations	Donor Relations	Community Initiatives/ Problem Solving	Women's Leadership Council	TOTAL	Management and General	Fundraising	UWVY Dues		Total
Allocations/Awards (Less Donor Designation)	\$ 905,301 (275,401)	\$ -	\$ -	\$ -	\$ 905,301 (275,401)	\$ -	\$ -	\$ -	\$ -	\$ 905,301 (275,401)
Sub-Total	629,900	-	-	-	629,900	-	-	-	-	629,900
Salaries and Wages	23,377	61,365	84,742	-	169,485	49,677	73,054	-	122,730	292,215
Employee Benefits	3,783	9,950	13,714	-	27,447	8,039	11,822	-	19,861	47,288
Payroll Taxes	1,911	5,018	6,929	-	13,858	4,062	5,973	-	10,035	23,893
(Less Administrative Allocations)	-	-	-	-	-	-	-	-	-	-
Sub-Total	29,072	76,313	105,385	-	210,770	61,777	90,849	-	152,626	363,396
Professional Fees	1,452	3,812	5,264	-	10,527	3,086	4,538	-	7,623	18,150
Supplies	475	1,241	1,713	-	3,427	1,004	1,477	-	2,481	5,908
Computer Expenses	832	2,184	3,017	-	6,033	1,768	2,601	-	4,369	10,402
Telephone	602	1,581	2,184	-	4,367	1,280	1,883	-	3,163	7,530
Postage and Shipping	83	218	301	-	601	176	259	-	436	1,037
Rental and equipment maintenance	-	-	-	-	-	-	-	-	-	-
Travel Costs	471	1,236	1,708	-	3,415	1,001	1,472	-	2,473	5,888
Conferences, conventions, and seminars	-	-	-	-	-	-	-	-	-	-
Board and Operating Meetings	-	-	-	-	-	-	-	-	-	-
Dues and subscriptions	84	221	305	-	609	179	263	-	441	1,050
Insurance	495	1,298	1,793	-	3,586	1,051	1,546	-	2,597	6,183
Utilities	666	1,748	2,414	-	4,829	1,415	2,081	-	3,497	8,325
Awards	574	1,506	2,080	-	4,160	1,219	1,793	-	3,012	7,172
Payroll Service	169	442	611	-	1,222	358	527	-	885	2,107
Janitorial services	267	700	966	-	1,933	566	833	-	1,399	3,332
Building Maintenance and Supplies	1,065	2,795	3,860	-	7,720	2,263	3,328	-	5,590	13,310
Campaign printing and supplies	908	2,383	3,291	-	6,582	1,929	2,837	-	4,766	11,348
Communications printing	300	788	1,088	-	2,176	638	938	-	1,576	3,752
Miscellaneous	377	1,809	1,583	-	3,769	1,884	1,884	-	3,769	7,537
Special Grants	-	-	380,685	-	380,685	-	-	-	-	380,685
Women's Leadership Council	-	-	-	9,592	9,592	-	-	-	-	9,592
5k Run expenses	-	-	-	-	-	-	-	-	-	-
Campaign Kick Off Expenses	2,511	-	-	-	2,511	-	1,932	-	1,932	1,932
Depreciation	1,232	3,234	4,466	-	8,931	2,618	3,850	-	6,468	15,399
Sub-Total	12,559	27,196	417,327	9,592	466,674	22,436	34,040	-	56,476	523,150
United World Wide and Associated Dues	-	-	-	-	-	-	-	15,002	15,002	15,002
Total expenses	\$ 671,531	\$ 103,510	\$ 522,712	\$ 9,592	\$ 1,307,344	\$ 84,213	\$ 124,889	\$ 15,002	\$ 224,104	\$ 1,531,448

The accompanying notes are an integral part of the financial statements.

UNITED WAY OF GLOUCESTER COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

EXPENSES	PROGRAM SERVICES					SUPPORTING SERVICES				Total 2017
	Agency & Community Relations	Donor Relations	Community Initiatives/ Problem Solving	Women's Leadership Council	TOTAL	Management and General	Fundraising	UWV Dues	Total	
Allocations/Awards (Less Donor Designation)	\$ 970,128	\$ -	\$ -	\$ -	\$ 970,128	\$ -	\$ -	\$ -	\$ -	\$ 970,128
	(275,128)	-	-	-	(275,128)	-	-	-	-	(275,128)
Sub-Total	695,000	-	-	-	695,000	-	-	-	-	695,000
Salaries and Wages	15,508	74,440	65,135	-	155,084	77,542	77,542	-	155,084	310,168
Employee Benefits	2,101	10,087	8,826	-	21,015	10,507	10,507	-	21,015	42,039
Payroll Taxes	1,279	6,138	5,371	-	12,788	6,394	6,394	-	12,788	25,575
Sub-Total	18,889	90,665	79,332	-	188,886	94,443	94,443	-	188,886	377,772
Professional Fees	450	2,160	1,890	-	4,500	2,250	2,250	-	4,500	9,000
Supplies	221	1,062	929	-	2,213	1,106	1,106	-	2,213	4,425
Computer Expenses	21	98	86	-	205	103	103	-	205	410
Telephone	368	1,764	1,544	-	3,676	1,838	1,838	-	3,676	7,351
Postage and Shipping	114	546	478	-	1,138	569	569	-	1,138	2,275
Rental and equipment maintenance	447	2,146	1,878	-	4,471	2,235	2,235	-	4,471	8,941
Travel Costs	195	934	817	-	1,946	973	973	-	1,946	3,891
Board and Operating Meetings	40	190	166	-	396	198	198	-	396	792
Dues and subscriptions	32	154	135	-	321	161	161	-	321	642
Insurance	581	2,791	2,442	-	5,815	2,907	2,907	-	5,815	11,629
Utilities	437	2,096	1,834	-	4,367	2,184	2,184	-	4,367	8,734
Awards	388	1,860	1,628	-	3,876	1,938	1,938	-	3,876	7,752
Payroll Service	124	595	520	-	1,239	620	620	-	1,239	2,478
Janitorial services	167	800	700	-	1,666	833	833	-	1,666	3,332
Building Maintenance and Supplies	342	1,639	1,434	-	3,415	1,708	1,708	-	3,415	6,830
Campaign printing and supplies	534	2,565	2,244	-	5,344	2,672	2,672	-	5,344	10,688
Staff Training	35	167	146	-	347	174	174	-	347	694
Charitable Registration	13	60	53	-	125	63	63	-	125	250
Miscellaneous	172	824	721	-	1,716	858	858	-	1,716	3,432
Special Grants	-	-	394,562	-	394,562	-	-	-	-	394,562
Women's Leadership Council	-	-	-	1,123	1,123	-	-	-	-	1,123
5k Run expenses	1,046	-	-	-	1,046	-	1,585	-	1,585	1,585
Campaign Kick Off Expenses	249	1,194	1,045	-	2,487	1,244	1,244	-	2,487	1,046
Marketing	772	3,708	3,244	-	7,724	3,862	3,862	-	7,724	4,974
Depreciation	-	-	-	-	-	-	-	-	-	15,448
Sub-Total	6,744	27,352	418,495	1,123	453,715	28,492	30,077	-	58,569	512,284
United World Wide and Associated Dues	-	-	-	-	-	-	-	25,434	25,434	25,434
Total expenses	\$ 720,633	\$ 118,018	\$ 497,827	\$ 1,123	\$ 1,337,601	\$ 122,935	\$ 124,520	\$ 25,434	\$ 272,889	\$ 1,610,490

The accompanying notes are an integral part of the financial statements

**UNITED WAY OF GLOUCESTER COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30,**

INCREASE (DECREASE) IN CASH FLOWS

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 180,414	\$ 57,441
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	15,516	15,448
Investment Income	(14,060)	(7,821)
Changes in operating assets and liabilities:		
Decrease in pledge receivable	36,980	46,151
(Increase) in grant receivable	(210,700)	-
Increase in accrued expenses	17,457	8,285
Increase (Decrease) in accrued compensated absences	880	(706)
Increase (Decrease) in allocations and campaign payables	(99,583)	55,755
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(73,096)</u>	<u>174,553</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,040,000)	(386,382)
Proceeds from sale of investments	821,760	555,013
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(218,240)</u>	<u>168,631</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in Due from Affiliate	1,805	380
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>1,805</u>	<u>380</u>
 NET INCREASE (DECREASE) IN CASH FLOWS	(289,531)	343,564
 CASH AT BEGINNING OF FISCAL YEAR	<u>1,164,126</u>	<u>820,562</u>
 CASH AT END OF FISCAL YEAR	<u><u>\$ 874,595</u></u>	<u><u>\$ 1,164,126</u></u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
During the fiscal year, cash was paid for the following:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 and 2017

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business and Nature of Activities

The United Way of Gloucester County, Inc., (the "Agency") a not-for-profit organization and exempt from federal and state of New Jersey income taxes under Code Section 501(c)(3), is a fund-raising organization whose mission is to be the leader in building community capacity to foster individuals well-being in the Gloucester County area.

Method of Accounting

The Agency maintains its books and records and prepares their tax returns on the accrual basis of accounting. The accompanying financial statements have been prepared on the accrual basis, in which revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Basis of Presentation

The Agency is a not-for-profit entity and follows the specialized accounting and reporting principles outlined in ASC 958, *Financial Statements of Not-For-Profit organizations*. Under ASC 958, the Corporation is required to report information regarding its financial position and activities according to three (3) 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 the net assets without restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation is provided using the straight line method with ranges of estimated useful lives as set forth below.

	<u>Years</u>
Building	39
Leasehold Improvements	39
Equipment	3-5
Furniture and Fixtures	5-7

The policy of the Agency is to expense immaterial amounts under \$2,500 and capitalize individual items in excess of \$2,500. Expenditures for maintenance, repairs and minor renewals are charged to operations. Depreciation expense for the fiscal years ended June 30, 2018 and 2017 was \$15,517 and \$15,735, respectively.

UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 and 2017

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Agency follows the provisions of ASC 740 "*Accounting for Uncertainties in Income Taxes*". This addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return are reported properly in the financial statements. The Corporation recognizes the tax benefit from an uncertain position when, based on technical merits, it is more likely than not the position will be sustained on examination by the taxing authorities.

Management has analyzed the possible tax positions taken by the Agency and has concluded that as of June 30, 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Agency is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Agency believes it is no longer subject to income tax examinations for the years prior to 2016.

United Way of Gloucester County, Inc. is exempt from federal and state income taxes under Internal Revenue Service Code Section 501(c)(3) and New Jersey revenue Code Section 54:10A-3. As such, no provision for federal and state income tax has been made in the accompanying financial statements. In addition, these code sections enable the Corporation to accept donations which qualify as charitable contributions to the donor.

Contributions

In accordance with ASC 958-605 *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence and/or nature of the donor restriction.

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 reduction in revenue rather than as an expense. The treatment is necessary when donors designate specific agencies, or other United Way locations, as the beneficiary of those funds. The Agency has elected to report choice designations as a reduction in gross campaign revenue.

Contributions are recorded at their fair market value on the date of said contribution. Pledges, less an allowance for uncollectible accounts, are recorded as receivables in the year made. Pledges are deemed uncollectible and are written off if not received within two (2) years. A weighted average based on past experience is used as a basis for determining the current year estimated allowance. The uncollectible allowance used by the Agency during the fiscal years ended June 30, 2018 and 2017 was 7.5% and 7.5%, respectively

Investments

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

UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 and 2017

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 functional expenses. Accordingly, certain costs have been allocated among the programs and services benefited. The allocations are 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 2018</u>	<u>FY 2017</u>
Agency Relations & Community Initiative	8%	5%
Donor Relations	21%	24%
Community Problem Solving	29%	21%
Management & General	17%	25%
Fundraising	<u>25%</u>	<u>25%</u>
Total	<u>100%</u>	<u>100%</u>

Cash Flow Information

The Agency considers all short-term investments with an original maturity of three (3) months or less to be cash equivalents.

Reclassification

Certain prior year amounts were reclassified to conform to the current year's presentation.

Note 2 – Pledges Receivable

Pledges receivable are recognized when made, assuming the donor's ability and intent to honor said 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 was \$99,707 and \$88,812 for the years ended June 30, 2018 and 2017, respectively. The allowance is estimated at 7.5% of pledges made, based on past years' history.

Note 3 – Investments

Investments consist of Certificates of Deposit held with various financial institutions. Maturity dates range from July 2018 through May 2019 with interest rates ranging from 1.55% to 2.15% for the year ended June 30, 2018. Maturity dates range from August 2017 through January 2018 with interest rates ranging from 0.8% to 1.25% for the year ended June 30, 2017

	<u>FY 2018</u>	<u>FY 2017</u>
Certificates of Deposit	\$ 1,040,000	\$ 815,000
Accrued Interest	<u>8,989</u>	<u>1,689</u>
Total Investments	<u>\$ 1,048,989</u>	<u>\$ 816,689</u>

UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 and 2017

Note 4 – Property, Plant & Equipment

Property, plant and equipment consist of the following as of June 30:

	<u>2018</u>	<u>2017</u>
Land	\$ 110,400	\$ 110,400
Buildings and Improvements	446,573	446,573
Office Furniture and Equipment	<u>78,418</u>	<u>78,418</u>
	635,391	635,391
Less: Accumulated Depreciation	<u>288,334</u>	<u>272,817</u>
Net Property, Plant and Equipment	<u>\$ 347,057</u>	<u>\$ 362,574</u>

The Agency's policy is to capitalize all acquisitions in excess of \$1,000 and all repairs/betterments in excess of \$2,500. All other costs are expensed as immaterial to the Agency's operating procedures. Depreciation is calculated utilizing the straight-line method over the economic useful life of the asset. Those lives range from 5-39 years.

Note 5 – Donated Materials and Services

Donated services are recognized as contributions if the services create or enhance non-financial assets, or require specialized skills performed by people with said skills and would have otherwise been purchased by the Agency. Volunteers may have also provided fund raising services throughout the year. Those costs have not been recognized in the financial records as they do not meet the criteria set forth by the Agency.

During the fiscal years ended June 30, 2018 and 2017, janitorial services were donated to the Agency for services conducted at the Thorofare, New Jersey location at a value of \$3,332 and \$3,332 for the years ended June 30, 2018 and 2017, respectively. These amounts are included in the accompanying financial statements as contribution income and janitorial expenses.

Note 6 - Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

The Agency maintains its cash balances in financial institutions located in Southern New Jersey. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2018 and 2017, the Agency had credit risk arising out of excess deposits in the amount of \$408,202 and \$514,974, respectively.

The Agency had approximately 43% and 44% of total pledges receivable from three (3) contributors for the years ended June 30, 2018 and 2017.

Note 7 – Allocations Payable

Allocations payable represent amounts allocated to the 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.

UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 and 2017

Note 8 – Pension Plan

The Agency adopted a defined contribution 401K retirement plan effective July 1, 1997. The plan covers all full-time employees who are at least twenty-one (21) years old and have at least one (1) year of service with the Agency. Employees with prior not-for-profit experience within the past three (3) years are immediately eligible upon employment with the Agency. Eligible employees may contribute up the maximum amount allowed by the Internal Revenue Service. The Agency will match 100% of the first three percent (3%) of an employee’s deferral. In addition, the Agency has a discretionary five percent (5%) contribution for all employees. The Agency contributed \$9,551 and \$7,462 for the years ended June 30, 2018 and 2017, respectively. The Agency did not make any discretionary contributions for the years ended June 30, 2018 and 2017, respectively.

Note 9 – Accrued Absences

Employees of the Agency are permitted to accrue sick and vacation time earned during the fiscal year. Agency policy mandates that a maximum of 40 sick days may be carried over to future fiscal years indefinitely. However, upon termination of employment, time earned will not be paid out via wages, as they are deemed lost. In addition, the Agency’s policy does not allow for vesting of sick time. Hence, no liability has been established for accrued sick time.

Vacation time is earned based on length of service with the Agency. The Agency’s policy is to allow five (5) carryover days of vacation time earned to the subsequent fiscal year. Employees will be paid for the amount of vacation time earned but not taken upon termination of employment. A total of \$11,580 and \$10,700 of accrued compensated absences has been recorded for the fiscal years ended June 30, 2018 and 2017, respectively.

Note 10 – Temporarily Restricted Net Assets

Temporarily restricted assets consist of contributions received for the transportation initiative program. The balance as of June 30, 2018 and 2017 was \$399,843 and \$408,880, respectively.

Note 11 – Unrestricted Net Assets - Board Designated

The Board of Directors has designated the following amounts for future use. Under generally accepted accounting principles, these amounts are included in unrestricted net assets. At June 30, the following amounts have been board designated:

	<u>2018</u>	<u>2017</u>
Agency Emergency Fund	\$ 575	\$ 575
Building and Equipment Reserve	38,725	38,725
Emergency Allocation	<u>19,853</u>	<u>19,853</u>
Total	<u>\$ 59,153</u>	<u>\$ 59,153</u>

UNITED WAY OF GLOUCESTER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 and 2017

Note 12 – Leases Payable

In May 2015, the Agency entered into a sixty (60) month operating lease agreement for office equipment. Quarterly payments are \$697. The Agency also entered into a three (3) year lease for a postage machine in July 2016. Monthly payments are \$18 billed on a quarterly basis. Total operating lease payments for the fiscal years ended June 30, 2018 and 2017 were \$4,948 and \$4,948, respectively. Future minimum lease payments are as follows:

June 30, 2019	\$ 4,948
2020	4,948
2021	-0-
2022	-0-
2023	<u>-0-</u>
Total	<u>\$ 9,896</u>

Note 13 – 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 \$15,002 and \$25,184 for the fiscal years ended June 30, 2018 and 2017, respectively.

The Agency was reimbursed for expenses incurred during the year ended June 30, 2017 in the amounts of \$1,805. This amount has been reported as a receivable on the statement of financial position. The amount was received in the subsequent year.

Note 14 – Subsequent Events

Management has evaluated subsequent events through September 13, 2018, the date that the financial statements were available to be issued. Management has determined there are no subsequent events that would need additional disclosure in accordance with accounting principles generally accepted in the United States of America.

SUPPLEMENTAL INFORMATION

UNITED WAY OF GLOUCESTER COUNTY
SCHEDULE OF INVESTMENTS
JUNE 30,

<u>DESCRIPTION</u>	<u>Maturity Date</u>	2018	2017
		<u>Cost</u>	<u>Cost</u>
Ally Bank CD 1.25%	8/7/2017	-	75,000
Bank of North Carolina CD 1%	11/30/2017	-	75,000
Comenity Capital CD 1.20%	9/14/2017	-	100,000
Discover Bank CD 1.20%	8/7/2017	-	75,000
Goldman Sachs Bank .85%	9/25/2017	-	65,000
Goldman Sachs Bank 1.15%	9/25/2017	-	85,000
Merrick Bank CD 1.05%	7/31/2017	-	75,000
Whitney Bank CD 1.20%	8/14/2017	-	75,000
Bank of India, NY CD 1.1%	1/24/2018	-	15,000
Providence Bank CD .8%	12/1/2017	-	175,000
Ally Bank CS 1.6%	2/28/2019	245,000	-
Banner Bank WA CD 2.150%	5/24/2019	245,000	-
Fvc Bancorp Inc. CD 1.55%	7/27/2018	245,000	-
Rockford Bank & Trust CD 1.8%	12/28/2018	60,000	-
Wex Bank CD 1.6%	9/21/2018	245,000	-
		<hr/>	<hr/>
Total Investments		1,040,000	815,000
Accrued Income		8,989	1,689
		<hr/>	<hr/>
		<u>\$ 1,048,989</u>	<u>\$ 816,689</u>

The accompanying notes are an integral part of these financial statements

UNITED WAY OF GLOUCESTER COUNTY, INC.
SCHEDULE OF BUDGET TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Salaries and Wages	\$ 323,684	\$ 292,215	\$ 31,469
Employee Benefits	46,458	47,288	(830)
Payroll Service	2,175	2,107	68
Payroll Taxes	<u>27,679</u>	<u>23,893</u>	<u>3,786</u>
 Total Salaries and Related Expenses	 399,996	 365,503	 34,493
 Professional Fees	 10,000	 18,150	 (8,150)
Supplies	5,500	5,908	(408)
Board and Operating Committee	1,000	-	1,000
Campaign Expenses	15,000	13,859	1,141
Telephone	6,300	7,530	(1,230)
Postage and Shipping	4,500	1,037	3,463
Equipment Purchases	9,000	-	9,000
Maintenance - Buildings and Equipment	6,000	13,310	(7,310)
Conferences, Conventions and Meetings	1,000	-	1,000
Occupancy	12,250	11,657	593
Printing	9,000	3,752	5,248
Travel and Transportation	4,750	5,888	(1,138)
Dues and Subscriptions	1,200	1,059	141
Insurance	10,000	6,183	3,817
Other Expenses	10,950	17,939	(6,989)
Annual Dinner and Awards	6,500	7,172	(672)
Women's Leadership Council	-	9,592	(9,592)
5K Run Expenses	2,500	1,932	568
Marketing and Promotions	7,500	-	7,500
Special Grants	-	-	-
Staff Training	1,000	-	1,000
Community Outreach	7,500	-	7,500
Depreciation	<u>18,511</u>	<u>15,517</u>	<u>2,994</u>
 Total Expenses before United Way Worldwide Dues	 549,957	 505,988	 43,969
 United Way Worldwide Dues	 <u>21,009</u>	 <u>15,002</u>	 <u>6,007</u>
 Total	 <u><u>\$ 570,966</u></u>	 <u><u>\$ 520,990</u></u>	 <u><u>\$ 49,976</u></u>

The accompanying notes are an integral part of the financial statements